



January 20, 2006

HOUSE BILL No. 1261

DIGEST OF HB 1261 (Updated January 19, 2006 12:00 pm - DI 73)

Citations Affected: IC 4-4; IC 4-6; IC 4-12; IC 5-10; IC 5-20; IC 6-1.1; IC 6-2.5; IC 6-3.1; IC 8-1; IC 8-9.5; IC 12-7; IC 12-8; IC 12-13; IC 12-20; IC 23-2; IC 24-4.5; IC 24-9; IC 34-30; IC 36-1; noncode.

Synopsis: Housing and community development authority. Changes references to the Indiana housing finance authority to the Indiana housing and community development authority. Specifies additional powers of the authority. Renames the low income housing trust fund the affordable housing and community development fund. Expands the uses of the fund. Changes the membership and name of the advisory committee. Repeals the law concerning the Indiana affordable housing fund. Limits the neighborhood assistance tax credit to persons who contribute to neighborhood organizations that provide neighborhood assistance. (Current law permits tax credits for persons who engage in providing assistance.) Changes many definitions in the neighborhood assistance tax credit to specifically include services provided to economically disadvantaged households that may be located outside economically disadvantaged areas. Moves the following programs from the family and social services administration to the lieutenant governor: (1) The housing assistance act of 1937. (2) Community services block grant. (3) Home energy assistance programs; (4) Weatherization assistance. (5) Food and nutrition programs. (6) Migrant and farm worker programs. (7) Emergency shelter grant programs. (8) Shelter plus care programs.

Effective: July 1, 2006.

Burton, Koch

January 10, 2006, read first time and referred to Committee on Government and Regulatory Reform.
January 19, 2006, amended, reported — Do Pass.

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January 20, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1261

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-11-15, AS AMENDED BY P.L.232-2005,
2 SECTION 3, AND AS AMENDED BY P.L.235-2005, SECTION 19,
3 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2006]: Sec. 15. (a) The authority is granted all
5 powers necessary or appropriate to carry out and effectuate its public
6 and corporate purposes under *this chapter*, ~~IC 4-4-21~~, and ~~IC 15-7-5~~,
7 *the affected statutes*, including but not limited to the following:

8 (1) Have perpetual succession as a body politic and corporate and
9 an independent instrumentality exercising essential public
10 functions.

11 (2) Without complying with IC 4-22-2, adopt, amend, and repeal
12 bylaws, rules, *guidelines*, and ~~regulations~~ *policies* not
13 inconsistent with *this chapter*, ~~IC 4-4-21~~, and ~~IC 15-7-5~~, *the*
14 *affected statutes*, and necessary or convenient to regulate its
15 affairs and to carry into effect the powers, duties, and purposes of
16 the authority and conduct its business *under the affected statutes*.
17 *These bylaws, rules, guidelines, and policies must be made by a*

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resolution of the authority introduced at one (1) meeting and approved at a subsequent meeting of the authority.

(3) Sue and be sued in its own name.

(4) Have an official seal and alter it at will.

(5) Maintain an office or offices at a place or places within the state as it may designate.

(6) Make, ~~and~~ execute, and enforce contracts and all other instruments necessary, ~~or~~ convenient, or desirable for the performance of its duties and the exercise of its powers and functions under this chapter, ~~IC 4-4-21, and IC 15-7-5.~~ purposes of the authority or pertaining to:

(A) a purchase, acquisition, or sale of securities or other investments; or

(B) the performance of the authority's duties and execution of any of the authority's powers under the affected statutes.

(7) Employ architects, engineers, attorneys, inspectors, accountants, agriculture experts, silviculture experts, aquaculture experts, and financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(8) Procure insurance against any loss in connection with its property and other assets, including loans and loan notes in amounts and from insurers as it may consider advisable.

(9) Borrow money, make guaranties, issue bonds, and otherwise incur indebtedness for any of the authority's purposes, and issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided by ~~this chapter, IC 4-4-21, IC 4-4-11.4 and IC 15-7-5,~~ the affected statutes. Notwithstanding any other law, the:

(A) issuance by the authority of any indebtedness that establishes a procedure for the authority or a person acting on behalf of the authority to certify to the general assembly the amount needed to restore a debt service reserve fund or another fund to required levels; or

(B) execution by the authority of any other agreement that creates a moral obligation of the state to pay all or part of any indebtedness issued by the authority;

is subject to review by the budget committee and approval by the budget director.

(10) Procure insurance or guaranties from any public or private entities, including any department, agency, or instrumentality of the United States, for payment of any bonds issued by the

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1 authority or for reinsurance on amounts paid from the industrial
 2 development project guaranty fund, including the power to pay
 3 premiums on any insurance or reinsurance.

4 (11) Purchase, receive, take by grant, gift, devise, bequest, or
 5 otherwise, and accept, from any source, aid or contributions of
 6 money, property, labor, or other things of value to be held, used,
 7 and applied to carry out the purposes of *this chapter*, ~~IC 4-4-21,~~
 8 ~~and IC 15-7-5~~, the affected statutes, subject to the conditions
 9 upon which the grants or contributions are made, including but
 10 not limited to gifts or grants from any department, agency, or
 11 instrumentality of the United States, and lease or otherwise
 12 acquire, own, hold, improve, employ, use, and otherwise deal in
 13 and with real or personal property or any interest in real or
 14 personal property, wherever situated, for any purpose consistent
 15 with *this chapter*, ~~IC 4-4-21~~, or ~~IC 15-7-5~~, the affected statutes.

16 (12) Enter into agreements with any department, agency, or
 17 instrumentality of the United States or this state and with lenders
 18 and enter into loan agreements, sales contracts, and leases with
 19 contracting parties, including *participants (as defined in*
 20 *IC 13-11-2-151.1) for any purpose permitted under IC 13-18-13*
 21 *or IC 13-18-21*, borrowers, lenders, developers, or users, for the
 22 purpose of planning, regulating, and providing for the financing
 23 and refinancing of any agricultural enterprise (as defined in
 24 IC 15-7-4.9-2), rural development project (as defined in
 25 IC 15-7-4.9-19.5), industrial development project, *purpose*
 26 *permitted under IC 13-18-13 and IC 13-18-21*, or international
 27 exports, and distribute data and information concerning the
 28 encouragement and improvement of agricultural enterprises and
 29 agricultural employment, rural development projects, industrial
 30 development projects, international exports, and other types of
 31 employment in the state undertaken with the assistance of the
 32 authority under this chapter.

33 (13) Enter into contracts or agreements with lenders and lessors
 34 for the servicing and processing of loans and leases pursuant to
 35 *this chapter*, ~~IC 4-4-21~~, and ~~IC 15-7-5~~, the affected statutes.

36 (14) Provide technical assistance to local public bodies and to
 37 profit and nonprofit entities in the development or operation of
 38 agricultural enterprises, rural development projects, and industrial
 39 development projects.

40 (15) To the extent permitted under its contract with the holders of
 41 the bonds of the authority, consent to any modification with
 42 respect to the rate of interest, time, and payment of any

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installment of principal or interest, or any other term of any contract, loan, loan note, loan note commitment, contract, lease, or agreement of any kind to which the authority is a party.

(16) To the extent permitted under its contract with the holders of bonds of the authority, enter into contracts with any lender containing provisions enabling it to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges when, by reason of other income or payment by any department, agency, or instrumentality of the United States of America or of this state, the reduction can be made without jeopardizing the economic stability of the agricultural enterprise, rural development project, or industrial development project being financed.

(17) *Notwithstanding IC 5-13, but subject to the requirements of any trust agreement entered into by the authority, invest: ~~any funds not needed for immediate disbursement, including any funds held in reserve, in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States, obligations issued by agencies of the United States, obligations of this state, or any obligations or securities which may from time to time be legally purchased by governmental subdivisions of this state pursuant to IC 5-13, or any obligations or securities which are permitted investments for bond proceeds or any construction, debt service, or reserve funds secured under the trust indenture or resolution pursuant to which bonds are issued.~~*

(A) the authority's money, funds, and accounts;

(B) any money, funds, and accounts in the authority's custody; and

(C) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority.

(18) *Fix and revise periodically, and charge and collect, fees and charges as the authority determines to be reasonable in connection with: ~~its~~*

(A) the authority's loans, guarantees, advances, insurance, commitments, and servicing; and

(B) the use of the authority's services or facilities.

(19) Cooperate and exchange services, personnel, and information with any federal, state, or local government agency, or instrumentality of the United States or this state.

(20) Sell, at public or private sale, with or without public bidding,

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any loan or other obligation held by the authority.

(21) Enter into agreements concerning, and acquire, hold, and dispose by any lawful means, land or interests in land, building improvements, structures, personal property, franchises, patents, accounts receivable, loans, assignments, guarantees, and insurance needed for the purposes of *this chapter*, ~~IC 4-4-21~~, or ~~IC 15-7-5~~, the affected statutes.

(22) Take assignments of accounts receivable, loans, guarantees, insurance, notes, mortgages, security agreements securing notes, and other forms of security, attach, seize, or take title by foreclosure or conveyance to any industrial development project when a guaranteed loan thereon is clearly in default and when in the opinion of the authority such acquisition is necessary to safeguard the industrial development project guaranty fund, and sell, or on a temporary basis, lease, or rent such industrial development project for any use.

(23) Expend money, as the authority considers appropriate, from the industrial development project guaranty fund created by section 16 of this chapter.

(24) Purchase, lease as lessee, construct, remodel, rebuild, enlarge, or substantially improve industrial development projects, including land, machinery, equipment, or any combination thereof.

(25) Lease industrial development projects to users or developers, with or without an option to purchase.

(26) Sell industrial development projects to users or developers, for consideration to be paid in installments or otherwise.

(27) Make direct loans from the proceeds of the bonds to users or developers for:

(A) the cost of acquisition, construction, or installation of industrial development projects, including land, machinery, equipment, or any combination thereof; or

(B) eligible expenditures for an educational facility project described in IC 4-4-10.9-6.2(a)(2);

with the loans to be secured by the pledge of one (1) or more bonds, notes, warrants, or other secured or unsecured debt obligations of the users or developers.

(28) Lend or deposit the proceeds of bonds to or with a lender for the purpose of furnishing funds to such lender to be used for making a loan to a developer or user for the financing of industrial development projects under this chapter.

(29) Enter into agreements with users or developers to allow the

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users or developers, directly or as agents for the authority, to wholly or partially construct industrial development projects to be leased from or to be acquired by the authority.

(30) Establish reserves from the proceeds of the sale of bonds, other funds, or both, in the amount determined to be necessary by the authority to secure the payment of the principal and interest on the bonds.

(31) Adopt rules *and guidelines* governing its activities authorized under *this chapter, IC 4-4-21, and IC 15-7-5, the affected statutes.*

(32) Use the proceeds of bonds to make guaranteed participating loans.

(33) Purchase, discount, sell, and negotiate, with or without guaranty, notes and other evidences of indebtedness.

(34) Sell and guarantee securities.

(35) Make guaranteed participating loans under IC 4-4-21-26.

(36) Procure insurance to guarantee, insure, coinsure, and reinsure against political and commercial risk of loss, and any other insurance the authority considers necessary, including insurance to secure the payment of principal and interest on notes or other obligations of the authority.

(37) Provide performance bond guarantees to support eligible export loan transactions, subject to the terms of *this chapter or IC 4-4-21, the affected statutes.*

(38) Provide financial counseling services to Indiana exporters.

(39) Accept gifts, grants, or loans from, and enter into contracts or other transactions with, any federal or state agency, municipality, private organization, or other source.

(40) Sell, convey, lease, exchange, transfer, or otherwise dispose of property or any interest in property, wherever the property is located.

(41) Cooperate with other public and private organizations to promote export trade activities in Indiana.

(42) Make guarantees and administer the agricultural loan and rural development project guarantee fund established by IC 15-7-5.

(43) Take assignments of notes and mortgages and security agreements securing notes and other forms of security, and attach, seize, or take title by foreclosure or conveyance to any agricultural enterprise or rural development project when a guaranteed loan to the enterprise or rural development project is clearly in default and when in the opinion of the authority the

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acquisition is necessary to safeguard the agricultural loan and rural development project guarantee fund, and sell, or on a temporary basis, lease or rent the agricultural enterprise or rural development project for any use.

(44) Expend money, as the authority considers appropriate, from the agricultural loan and rural development project guarantee fund created by IC 15-7-5-19.5.

(45) Reimburse from bond proceeds expenditures for industrial development projects under this chapter.

(46) Acquire, hold, use, and dispose of the authority's income, revenues, funds, and money.

(47) Purchase, acquire, or hold debt securities or other investments for the authority's own account at prices and in a manner the authority considers advisable, and sell or otherwise dispose of those securities or investments at prices without relation to cost and in a manner the authority considers advisable.

(48) Fix and establish terms and provisions with respect to:

(A) a purchase of securities by the authority, including dates and maturities of the securities;

(B) redemption or payment before maturity; and

(C) any other matters that in connection with the purchase are necessary, desirable, or advisable in the judgment of the authority.

(49) To the extent permitted under the authority's contracts with the holders of bonds or notes, amend, modify, and supplement any provision or term of:

(A) a bond, a note, or any other obligation of the authority; or

(B) any agreement or contract of any kind to which the authority is a party.

(50) Subject to the authority's investment policy, do any act and enter into any agreement pertaining to a swap agreement (as defined in IC 8-9.5-9-4) related to the purposes of the affected statutes in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7, whether the action is incidental to the issuance, carrying, or securing of bonds or otherwise.

~~(46)~~ (51) Do any act necessary or convenient to the exercise of the powers granted by *this chapter, IC 4-4-21, or IC 15-7-5*; the affected statutes, or reasonably implied from those statutes, including but not limited to compliance with requirements of federal law imposed from time to time for the issuance of bonds.

(b) The authority's powers under this chapter shall be interpreted

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broadly to effectuate the purposes of this chapter and may not be construed as a limitation of powers. *The omission of a power from the list in subsection (a) does not imply that the authority lacks that power. The authority may exercise any power that is not listed in subsection (a) but is consistent with the powers listed in subsection (a) to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.*

(c) This chapter does not authorize the financing of industrial development projects for a developer unless any written agreement that may exist between the developer and the user at the time of the bond resolution is fully disclosed to and approved by the authority.

(d) *The authority shall work with and assist the Indiana health and educational facility financing authority established by IC 5-1-16-2, the Indiana housing ~~finance~~ and community development authority established by IC 5-20-1-3, the Indiana port commission established under IC 8-10-1, and the state fair commission established by IC 15-1.5-2-1 in the issuance of bonds, notes, or other indebtedness. The Indiana health and educational facility financing authority, the Indiana housing ~~finance~~ and community development authority, the Indiana port commission, and the state fair commission shall work with and cooperate with the authority in connection with the issuance of bonds, notes, or other indebtedness.*

SECTION 2. IC 4-4-11.5-6.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6.3. As used in this chapter, "~~HFFA~~" "**IHCDA**" refers to the Indiana housing ~~finance~~ and community development authority established by IC 5-20-1.

SECTION 3. IC 4-4-11.5-7.5, AS AMENDED BY P.L.235-2005, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7.5. As used in this chapter, "issuer" means IFA, ~~HFFA~~, **IHCDA**, ISMEL, a local unit, or any other issuer of bonds that must procure volume under the volume cap.

SECTION 4. IC 4-4-11.5-18, AS AMENDED BY P.L.235-2005, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 18. (a) The volume cap shall be allocated annually among categories of bonds in accordance with section 19 of this chapter. Those categories are as follows:

- (1) Bonds issued by the IFA.
- (2) Bonds issued by the ~~HFFA~~ **IHCDA**.
- (3) Bonds issued by the ISMEL.
- (4) Bonds issued by local units or any other issuers not specifically referred to in this section whose bonds are or may become subject to the volume cap for projects described in:

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1 (A) Division A - Agricultural, Forestry, and Fishing;
 2 (B) Division B - Mining;
 3 (C) Division C - Construction;
 4 (D) Division D - Manufacturing;
 5 (E) Division E - Transportation; and
 6 (F) Division F - Wholesale Trade;
 7 of the SIC Manual (or corresponding sector in the NAICS
 8 Manual), and any projects described in Section 142(a)(3),
 9 142(a)(4), 142(a)(5), 142(a)(6), 142(a)(8), 142(a)(9), or
 10 142(a)(10) of the Internal Revenue Code.

11 (5) Bonds issued by local units or any other issuers not
 12 specifically referred to in this section whose bonds are or may
 13 become subject to the volume cap for projects described in:

14 (A) Division G - Retail Trade;
 15 (B) Division H - Finance, Insurance, and Real Estate;
 16 (C) Division I - Services;
 17 (D) Division J - Public Administration; and
 18 (E) Division K - Miscellaneous;
 19 of the SIC Manual (or corresponding sector in the NAICS
 20 Manual), and any projects described in Section 142(a)(7) or
 21 144(c) of the Internal Revenue Code.

22 (b) For purposes of determining the SIC category of a facility, the
 23 determination shall be based upon the type of activity engaged in by the
 24 user of the facility within the facility in question, rather than upon the
 25 ultimate enterprise in which the developer or user of the facility is
 26 engaged.

27 SECTION 5. IC 4-4-11.5-19, AS AMENDED BY P.L.235-2005,
 28 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2006]: Sec. 19. (a) On or before January 1 of each year, the
 30 IFA shall determine the dollar amount of the volume cap for that year.

31 (b) Each year the volume cap shall be allocated among the
 32 categories specified in section 18 of this chapter as follows:

33	Type of Bonds	Percentage of
34		Volume Cap
35	Bonds issued by the IFA	9%
36	Bonds issued by the HHFA IHCDA	28%
37	Bonds issued by the ISMEL	1%
38	Bonds issued by local units or other	
39	issuers under section 18(a)(3)	
40	of this chapter	42%
41	Bonds issued by local units or other	
42	issuers under section 18(a)(4)	

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1 of this chapter 20%

2 (c) Except as provided in subsection (d), the amount allocated to a

3 category represents the maximum amount of the volume cap that will

4 be reserved for bonds included within that category.

5 (d) The IFA may adopt a resolution to alter the allocations made by

6 subsection (b) for a year if it determines that the change is necessary to

7 allow maximum usage of the volume cap and to promote the health and

8 well-being of the residents of Indiana by promoting the public purposes

9 served by the bond categories then subject to the volume cap.

10 (e) The governor may, by executive order, establish for a year a

11 different dollar amount for the volume cap, different bond categories,

12 and different allocations among the bond categories than those set forth

13 in or established under this section and section 18 of this chapter if it

14 becomes necessary to adopt a different volume cap and bond category

15 allocation system in order to allow maximum usage of the volume cap

16 among the bond categories then subject to the volume cap and to

17 promote the health, welfare, and well-being of the residents of Indiana

18 by promoting the public purposes served by the bond categories then

19 subject to the volume cap.

20 SECTION 6. IC 4-4-28-1.5 IS ADDED TO THE INDIANA CODE

21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

22 1, 2006]: **Sec. 1.5. As used in this chapter, "authority" refers to the**

23 **Indiana housing and community development authority established**

24 **under IC 5-20-1.**

25 SECTION 7. IC 4-4-28-11, AS AMENDED BY P.L.235-2005,

26 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

27 JULY 1, 2006]: Sec. 11. (a) Each community development corporation

28 shall annually provide the ~~Indiana housing finance~~ authority with

29 information needed to determine:

30 (1) the number of accounts administered by the community

31 development corporation;

32 (2) the length of time each account under subdivision (1) has been

33 established; and

34 (3) the amount of money an individual has deposited into each

35 account under subdivision (1) during the preceding twelve (12)

36 months.

37 (b) The ~~Indiana housing finance~~ authority shall use the information

38 provided under subsection (a) to deposit the correct amount of money

39 into each account as provided in section 12 of this chapter.

40 SECTION 8. IC 4-4-28-12, AS AMENDED BY P.L.235-2005,

41 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

42 JULY 1, 2006]: Sec. 12. (a) The ~~Indiana housing finance~~ authority shall

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1 allocate, for each account that has been established after June 30, 2001,
 2 for not more than four (4) years, including any time in which an
 3 individual held an individual development account under this chapter
 4 before July 1, 2001, three dollars (\$3) for each one dollar (\$1) an
 5 individual deposited into the individual's account during the preceding
 6 twelve (12) months. However, the authority's allocation under this
 7 subsection may not exceed nine hundred dollars (\$900) for each
 8 account described in this subsection.

9 (b) Not later than June 30 of each year, the ~~Indiana housing finance~~
 10 authority shall deposit into each account established under this chapter
 11 the appropriate amount of money determined under this section.
 12 However, if the individual deposits the maximum amount allowed
 13 under this chapter on or before December 31 of each year, the
 14 individual may request in writing that the authority allocate and deposit
 15 the matched funds under subsection (a) into the individual's account
 16 not later than forty-five (45) days after the authority receives the
 17 written request.

18 (c) Money from a federal block grant program under Title IV-A of
 19 the federal Social Security Act may be used by the state to provide
 20 money under this section for deposit into an account held by an
 21 individual who receives assistance under IC 12-14-2.

22 SECTION 9. IC 4-4-28-15, AS AMENDED BY P.L.235-2005,
 23 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2006]: Sec. 15. (a) An individual must request and receive
 25 authorization from the community development corporation that
 26 administers the individual's account before withdrawing money from
 27 the account for any purpose.

28 (b) An individual who is denied authorization to withdraw money
 29 under subsection (a) may appeal the community development
 30 corporation's decision to the ~~Indiana housing finance~~ authority under
 31 rules adopted by the authority under IC 4-22-2.

32 SECTION 10. IC 4-4-28-18, AS AMENDED BY P.L.235-2005,
 33 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2006]: Sec. 18. (a) Each community development corporation
 35 shall annually:

36 (1) evaluate the individual development accounts administered by
 37 the community development corporation; and

38 (2) submit a report containing the evaluation information to the
 39 ~~Indiana housing finance~~ authority.

40 (b) Two (2) or more community development corporations may
 41 work together in carrying out the purposes of this chapter.

42 SECTION 11. IC 4-4-28-21, AS AMENDED BY P.L.235-2005,

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SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 21. The ~~Indiana housing finance~~ authority may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 12. IC 4-4-33 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 33. Miscellaneous Community Development Programs

Sec. 1. The lieutenant governor shall administer the following:

(1) The Housing Assistance Act of 1937 (42 U.S.C. 1437).

(2) Community services programs, including the Community Services Block Grant under 42 U.S.C. 9901 et seq.

(3) Home energy assistance programs, including the Low Income Home Energy Assistance Block Grant under 42 U.S.C. 8621 et seq.

(4) Weatherization programs, including weatherization programs and money received under 42 U.S.C. 6851 et seq.

(5) Food and nutrition programs, including food and nutrition programs and money received under 7 U.S.C. 612, 7 U.S.C. 7501 et seq., and 42 U.S.C. 9922 et seq.

(6) Migrant and farm worker programs and money under 20 U.S.C. 6391 et seq., 29 U.S.C. 49 et seq., and 42 U.S.C. 1397 et seq.

(7) Emergency shelter grant programs and money under 42 U.S.C. 11371 et seq.

(8) Shelter plus care programs and money under 42 U.S.C. 11403 et seq.

SECTION 13. IC 4-4-34 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 34. Home Energy Assistance Programs

Sec. 1. As used in this chapter, "eligible household" means a household determined by the lieutenant governor to be eligible in the state plan for the program period.

Sec. 2. As used in this chapter, "eligible individual" means:

(1) a person who was systematically persecuted for racial or religious reasons by Nazi Germany or any other Axis regime; or

(2) an heir of a person described in subdivision (1).

Sec. 3. As used in this chapter, "Holocaust victim's settlement payment" means a payment received:

(1) as a result of the settlement of the action entitled "In re Holocaust Victims' Asset Litigation", (E.D. NY) C.A. No.

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1 96-4849;

2 (2) under the German Act Regulating Unresolved Property
3 Claims;

4 (3) under any other foreign law providing payments for
5 Holocaust claims; or

6 (4) as a result of the settlement of any other Holocaust claim,
7 including:

8 (A) insurance claims;

9 (B) claims relating to looted art;

10 (C) claims relating to looted financial assets; or

11 (D) claims relating to slave labor wages.

12 Sec. 4. As used in this chapter, "home energy" means electricity,
13 oil, gas, coal, propane, or any other fuel for use as the principal
14 source of heating or cooling in residential dwellings.

15 Sec. 5. As used in this chapter, "home energy supplier" means
16 a person, including a trustee or receiver appointed by a court,
17 engaged in the furnishing or selling of home energy in Indiana.

18 Sec. 6. The home energy assistance programs must provide
19 assistance, including emergency assistance, to low income
20 households in Indiana to:

21 (1) defray home energy costs; and

22 (2) provide assistance to low income households;

23 for home energy conservation measures.

24 Sec. 7. The lieutenant governor shall do the following:

25 (1) Administer an appropriation made for the purposes
26 specified in section 7 of this chapter.

27 (2) Receive and administer money that may be available to the
28 state for energy and conservation assistance from the federal
29 government.

30 (3) Establish criteria to determine eligibility for assistance
31 under this chapter.

32 Sec. 8. The lieutenant governor may determine the amount of
33 assistance that an eligible household may receive.

34 Sec. 9. (a) The criteria for determining the amount of assistance
35 may include the following:

36 (1) The age of an applicant for assistance.

37 (2) Whether the applicant is employed.

38 (3) Household income during the past one hundred eighty
39 (180) days.

40 (4) Household size.

41 (5) Type of fuel used for primary heating or cooling.

42 (6) The need for assistance.

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1 (7) Residency.

2 (8) The age and energy efficiency of the applicant's dwelling
3 and heating plant.

4 (b) Unless prohibited by federal law, the criteria for
5 determining the amount of assistance must include a consideration
6 of an applicant's housing status. The lieutenant governor shall give
7 weight to an applicant's housing status in the following order, from
8 greatest weight to least weight:

9 (1) An applicant who resides in nonsubsidized housing.

10 (2) An applicant who resides in subsidized housing in which
11 home energy costs are not included in the rent.

12 (3) An applicant who resides in subsidized housing in which
13 home energy costs are included in the rent.

14 (c) The lieutenant governor shall annually:

15 (1) review the formula used by the lieutenant governor to
16 determine the amount of assistance awarded under this
17 chapter; and

18 (2) prepare a report that includes:

19 (A) the following information for the most recent federal
20 fiscal year:

21 (i) The number of applicants for assistance under this
22 chapter.

23 (ii) The number of assistance awards made under this
24 chapter.

25 (iii) The average amount of assistance awarded under
26 this chapter for all recipients and by category of housing
27 status; and

28 (B) a statement of:

29 (i) the formula that the lieutenant governor is currently
30 using to determine the amount of assistance under this
31 chapter; and

32 (ii) the lieutenant governor's intention regarding any
33 change in the formula described in item (i).

34 (d) The lieutenant governor shall file the report required under
35 subsection (c)(2) in an electronic format under IC 5-14-6 with the
36 legislative council before April 1 each year.

37 Sec. 10. Except as provided by federal law, if an individual
38 receives a state or federal higher education award that is paid
39 directly to an approved institution of higher learning (as defined in
40 IC 20-12-21-3) for that individual's benefit:

41 (1) the individual is not required to report the award as
42 income or as a resource of the individual when applying for

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1 assistance under this chapter; and

2 (2) the award may not be considered as income or a resource
3 of the individual in determining initial or continuing eligibility
4 for assistance under this chapter.

5 Sec. 11. The lieutenant governor may require a home energy
6 supplier or an agency of state or local government or may contract
7 with another public or private agency to do the following:

8 (1) Disseminate information about the program.

9 (2) Receive or aid in the preparation of applications for
10 assistance.

11 (3) Assist in determining eligibility for assistance.

12 Sec. 12. An application must be made on standardized forms
13 provided by the lieutenant governor and in accordance with
14 procedures established by the lieutenant governor.

15 Sec. 13. The lieutenant governor shall establish methods for
16 providing assistance to eligible households. Methods may include
17 the following:

18 (1) Direct payments by cash or check to eligible households.

19 (2) Direct vendor payments.

20 (3) Lines of credit to home energy suppliers.

21 (4) The use of coupons and vouchers redeemable by the state.

22 Sec. 14. The lieutenant governor may require the following:

23 (1) A home energy supplier to accept vendor payments, lines
24 of credit, or coupons and vouchers as full or partial payment
25 for the cost of home energy consumed by eligible households.

26 (2) An operator of residential housing units to accept vendor
27 payments or coupons and vouchers as full or partial payment
28 of rent by eligible households making undesignated payments
29 for home energy costs in the form of rent payments.

30 Sec. 15. The lieutenant governor shall establish procedures for
31 the conduct of hearings and appeals upon request from applicants
32 who have been denied assistance.

33 Sec. 16. A recipient may not transfer or assign assistance under
34 this chapter except as allowed by the lieutenant governor.

35 Sec. 17. The lieutenant governor may recover from a recipient
36 the amount of assistance that the lieutenant governor determines
37 the recipient was not entitled to receive.

38 Sec. 18. If a recipient obtained excessive assistance fraudulently,
39 the recipient shall pay a penalty equal to twenty percent (20%) of
40 the excessive assistance.

41 Sec. 19. A claim under this chapter may be recovered from the
42 recipient or the recipient's estate by civil action and is a preferred

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1 claim against the estate of a recipient under IC 29-1-14-9(6).

2 **Sec. 20. A:**

3 (1) home energy supplier;

4 (2) landlord; or

5 (3) building operator;

6 that uses the name of an applicant or a recipient or information
7 contained in applications made under this chapter for any purpose
8 other than as specified by the lieutenant governor commits a Class
9 B misdemeanor.

10 **Sec. 21. The lieutenant governor may take actions necessary to**
11 **implement this chapter, including the establishment of conditions**
12 **regulating service termination to eligible households that the**
13 **lieutenant governor determines to be appropriate and necessary to**
14 **ensure the availability of federal financial assistance.**

15 SECTION 14. IC 4-6-12-4 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) The following
17 may cooperate with the unit to implement this chapter:

18 (1) The Indiana professional licensing agency and the appropriate
19 licensing boards with respect to persons licensed under IC 25.

20 (2) The department of financial institutions.

21 (3) The department of insurance with respect to the sale of
22 insurance in connection with mortgage lending.

23 (4) The securities division of the office of the secretary of state.

24 (5) The supreme court disciplinary commission with respect to
25 attorney misconduct.

26 (6) The Indiana housing ~~finance~~ **and community development**
27 authority.

28 (7) The department of state revenue.

29 (8) The state police department.

30 (9) A prosecuting attorney.

31 (10) Local law enforcement agencies.

32 (11) The department of commerce.

33 (b) Notwithstanding IC 5-14-3, the entities listed in subsection (a)
34 may share information with the unit.

35 SECTION 15. IC 4-6-12-8, AS AMENDED BY P.L.235-2005,
36 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2006]: Sec. 8. The unit shall cooperate with the Indiana
38 housing **and community development** authority in the development
39 and implementation of the home ownership education programs
40 established under ~~IC 5-20-1-4(g)~~ **IC 5-20-1-4(f)**.

41 SECTION 16. IC 4-12-1-14.2 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14.2. Notwithstanding

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any other law, all oil overcharge funds received from the federal government are annually appropriated to the ~~division of family and children~~ **lieutenant governor** for the ~~division's~~ **lieutenant governor's** use in carrying out the home energy assistance program. The amount of this annual appropriation for a state fiscal year is equal to:

(1) the total amount necessary to carry out the program during that fiscal year; minus

(2) the amount of federal low income energy assistance funds available for the program during that state fiscal year.

SECTION 17. IC 5-10-1.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. In addition to any other investment power given to a board, a board may invest as much of its trust funds as are not required for current disbursements in mortgage-backed bonds or notes issued by the Indiana housing ~~finance~~ **and community development** authority under IC 5-20-1.

SECTION 18. IC 5-20-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. As used in this chapter:

"Assisted" means, with respect to a loan:

(1) the payment by the United States or any duly authorized agency of the United States of assistance payments, interest payments, or mortgage reduction payments with respect to such loan; or

(2) the provision of insurance, guaranty, security, collateral, subsidies, or other forms of assistance or aid acceptable to the authority for the making, holding, or selling of a loan from the United States, any duly authorized agency of the United States, or any entity or corporation acceptable to the authority, other than the sponsor.

"Authority" means the Indiana housing ~~finance~~ **and community development** authority created ~~under~~ **by section 3** of this chapter.

"Bonds" or "notes" means the bonds or notes authorized to be issued by the authority under this chapter.

"Development costs" means the costs approved by the authority as appropriate expenditures and credits which may be incurred by sponsors, builders, and developers of residential housing prior to commitment and initial advance of the proceeds of a construction loan or of a mortgage, including but not limited to:

(1) payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the authority, payments for the purchase of such properties;

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(2) legal, organizational, and marketing expenses, including payments of attorney's fees, project manager, clerical, and other incidental expenses;

(3) payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work;

(4) expenses for surveys as to need and market analyses;

(5) necessary application and other fees;

(6) credits allowed by the authority to recognize the value of service provided at no cost by the sponsors, builders, or developers; and

(7) such other expenses as the authority deems appropriate for the purposes of this chapter.

"Governmental agency" means any department, division, public agency, political subdivision, or other public instrumentality of the state of Indiana, the federal government, any other state or public agency, or any two (2) or more thereof.

"Construction loan" means a loan to provide interim financing for the acquisition or construction of single family residential housing, including land development.

"Mortgage" or "mortgage loan" means a loan to provide permanent financing for:

(1) the rehabilitation, acquisition, or construction of single family residential housing, including land development; or

(2) the weatherization of single family residences.

"Mortgage lender" means a bank, trust company, savings bank, savings association, credit union, national banking association, federal savings association or federal credit union maintaining an office in this state, a public utility (as defined in IC 8-1-2-1), a gas utility system organized under IC 8-1-11.1, an insurance company authorized to do business in this state, or any mortgage banking firm or mortgagee authorized to do business in this state and approved by either the authority or the Department of Housing and Urban Development.

"Land development" means the process of acquiring land primarily for residential housing construction for persons and families of low and moderate income and making, installing, or constructing nonresidential housing improvements, including water, sewer, and other utilities, roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or works, whether on or off the site, which the authority deems necessary or desirable to prepare such land primarily for residential housing construction.

"Obligations" means any bonds or notes authorized to be issued by the authority under this chapter.

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1 "Persons and families of low and moderate income" means persons
 2 and families of insufficient personal or family income to afford
 3 adequate housing as determined by the standards established by the
 4 authority, and in determining such standards the authority shall take
 5 into account the following:

6 (1) The amount of total income of such persons and families
 7 available for housing needs.

8 (2) The size of the family.

9 (3) The cost and condition of housing facilities available in the
 10 different geographic areas of the state.

11 (4) The ability of such persons and families to compete
 12 successfully in the private housing market and to pay the amounts
 13 at which private enterprise is providing sanitary, decent, and safe
 14 housing.

15 The standards shall, however, comply with the applicable limitations
 16 of section 4(b) of this chapter.

17 "Residential facility for children" means a facility:

18 (1) that provides residential services to individuals who are:

19 (A) under twenty-one (21) years of age; and

20 (B) adjudicated to be children in need of services under
 21 IC 31-34 (or IC 31-6-4 before its repeal) or delinquent children
 22 under IC 31-37 (or IC 31-6-4 before its repeal); and

23 (2) that is:

24 (A) a child caring institution that is or will be licensed under
 25 IC 12-17.4;

26 (B) a residential facility that is or will be licensed under
 27 IC 12-28-5; or

28 (C) a facility that is or will be certified by the division of
 29 mental health and addiction under IC 12-23.

30 "Residential facility for the developmentally disabled" means a
 31 facility that is approved for use in a community residential program for
 32 the developmentally disabled under IC 12-11-1.1.

33 "Residential facility for the mentally ill" means a facility that is
 34 approved by the division of mental health and addiction for use in a
 35 community residential program for the mentally ill under
 36 IC 12-22-2-3(1), IC 12-22-2-3(2), IC 12-22-2-3(3), or IC 12-22-2-3(4).

37 "Residential housing" means a specific work or improvement
 38 undertaken primarily to provide single or multiple family housing for
 39 rental or sale to persons and families of low and moderate income,
 40 including the acquisition, construction, or rehabilitation of lands,
 41 buildings, and improvements to the housing, and such other
 42 nonhousing facilities as may be incidental or appurtenant to the

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1 housing.

2 "Sponsors", "builders", or "developers" means corporations,
3 associations, partnerships, limited liability companies, or other entities
4 and consumer housing cooperatives organized pursuant to law for the
5 primary purpose of providing housing to low and moderate income
6 persons and families.

7 "State" means the state of Indiana.

8 "Tenant programs and services" means services and activities for
9 persons and families living in residential housing, including the
10 following:

11 (1) Counseling on household management, housekeeping,
12 budgeting, and money management.

13 (2) Child care and similar matters.

14 (3) Access to available community services related to job training
15 and placement, education, health, welfare, and other community
16 services.

17 (4) Guard and other matters related to the physical security of the
18 housing residents.

19 (5) Effective management-tenant relations, including tenant
20 participation in all aspects of housing administration,
21 management, and maintenance.

22 (6) Physical improvements of the housing, including buildings,
23 recreational and community facilities, safety measures, and
24 removal of code violations.

25 (7) Advisory services for tenants in the creation of tenant
26 organizations which will assume a meaningful and responsible
27 role in the planning and carrying out of housing affairs.

28 (8) Procedures whereby tenants, either individually or in a group,
29 may be given a hearing on questions relating to management
30 policies and practices either in general or in relation to an
31 individual or family.

32 SECTION 19. IC 5-20-1-4, AS AMENDED BY P.L.235-2005,
33 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2006]: Sec. 4. (a) The authority has all of the powers
35 necessary or convenient to carry out and effectuate the purposes and
36 provisions of this chapter, including the power:

37 (1) to make or participate in the making of construction loans to
38 sponsors of multiple family residential housing that is federally
39 assisted or assisted by a government sponsored enterprise, such
40 as the Federal National Mortgage Association, the Federal Home
41 Loan Mortgage Corporation, or the Federal Agricultural Mortgage
42 Corporation, the Federal Home Loan Bank, and other similar

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entities approved by the authority;

(2) to make or participate in the making of mortgage loans to sponsors of multiple family residential housing that is federally assisted or assisted by a government sponsored enterprise, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Agricultural Mortgage Corporation, the Federal Home Loan Bank, and other similar entities approved by the authority;

(3) to purchase or participate in the purchase from mortgage lenders of mortgage loans made to persons of low and moderate income for residential housing;

(4) to make loans to mortgage lenders for the purpose of furnishing funds to such mortgage lenders to be used for making mortgage loans for persons and families of low and moderate income. However, the obligation to repay loans to mortgage lenders shall be general obligations of the respective mortgage lenders and shall bear such date or dates, shall mature at such time or times, shall be evidenced by such note, bond, or other certificate of indebtedness, shall be subject to prepayment, and shall contain such other provisions consistent with the purposes of this chapter as the authority shall by rule or resolution determine;

(5) to collect and pay reasonable fees and charges in connection with making, purchasing, and servicing of its loans, notes, bonds, commitments, and other evidences of indebtedness;

(6) to acquire real property, or any interest in real property, by conveyance, including purchase in lieu of foreclosure, or foreclosure, to own, manage, operate, hold, clear, improve, and rehabilitate such real property and sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber such real property where such use of real property is necessary or appropriate to the purposes of the authority;

(7) to sell, at public or private sale, all or any part of any mortgage or other instrument or document securing a construction loan, a land development loan, a mortgage loan, or a loan of any type permitted by this chapter;

(8) to procure insurance against any loss in connection with its operations in such amounts and from such insurers as it may deem necessary or desirable;

(9) to consent, subject to the provisions of any contract with noteholders or bondholders which may then exist, whenever it deems it necessary or desirable in the fulfillment of its purposes

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1 to the modification of the rate of interest, time of payment of any
 2 installment of principal or interest, or any other terms of any
 3 mortgage loan, mortgage loan commitment, construction loan,
 4 loan to lender, or contract or agreement of any kind to which the
 5 authority is a party;

6 (10) to enter into agreements or other transactions with any
 7 federal, state, or local governmental agency for the purpose of
 8 providing adequate living quarters for such persons and families
 9 in cities and counties where a need has been found for such
 10 housing;

11 (11) to include in any borrowing such amounts as may be deemed
 12 necessary by the authority to pay financing charges, interest on
 13 the obligations (for a period not exceeding the period of
 14 construction and a reasonable time thereafter or if the housing is
 15 completed, two (2) years from the date of issue of the
 16 obligations), consultant, advisory, and legal fees and such other
 17 expenses as are necessary or incident to such borrowing;

18 (12) to make and publish rules respecting its lending programs
 19 and such other rules as are necessary to effectuate the purposes of
 20 this chapter;

21 (13) to provide technical and advisory services to sponsors,
 22 builders, and developers of residential housing and to residents
 23 and potential residents, including housing selection and purchase
 24 procedures, family budgeting, property use and maintenance,
 25 household management, and utilization of community resources;

26 (14) to promote research and development in scientific methods
 27 of constructing low cost residential housing of high durability;

28 (15) to encourage community organizations to participate in
 29 residential housing development;

30 (16) to make, execute, and effectuate any and all agreements or
 31 other documents with any governmental agency or any person,
 32 corporation, association, partnership, limited liability company,
 33 or other organization or entity necessary or convenient to
 34 accomplish the purposes of this chapter;

35 (17) to accept gifts, devises, bequests, grants, loans,
 36 appropriations, revenue sharing, other financing and assistance
 37 and any other aid from any source whatsoever and to agree to, and
 38 to comply with, conditions attached thereto;

39 (18) to sue and be sued in its own name, plead and be impleaded;

40 (19) to maintain an office in the city of Indianapolis and at such
 41 other place or places as it may determine;

42 (20) to adopt an official seal and alter the same at pleasure;

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(21) to adopt and from time to time amend and repeal bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules and policies in connection with the performance of its functions and duties;

(22) to employ fiscal consultants, engineers, attorneys, real estate counselors, appraisers, and such other consultants and employees as may be required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor;

(23) notwithstanding IC 5-13, but subject to the requirements of any trust agreement entered into by the authority, to invest:

(A) the authority's money, funds, and accounts;

(B) any money, funds, and accounts in the authority's custody; and

(C) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority;

(24) to make or participate in the making of construction loans, mortgage loans, or both, to individuals, partnerships, limited liability companies, corporations, and organizations for the construction of residential facilities for the developmentally disabled or for the mentally ill or for the acquisition or renovation, or both, of a facility to make it suitable for use as a new residential facility for the developmentally disabled or for the mentally ill;

(25) to make or participate in the making of construction and mortgage loans to individuals, partnerships, corporations, limited liability companies, and organizations for the construction, rehabilitation, or acquisition of residential facilities for children;

(26) to purchase or participate in the purchase of mortgage loans from:

(A) public utilities (as defined in IC 8-1-2-1); or

(B) municipally owned gas utility systems organized under IC 8-1.5;

if those mortgage loans were made for the purpose of insulating and otherwise weatherizing single family residences in order to conserve energy used to heat and cool those residences;

(27) to provide financial assistance to mutual housing associations (IC 5-20-3) in the form of grants, loans, or a combination of grants and loans for the development of housing for low and moderate income families;

(28) to service mortgage loans made or acquired by the authority

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and to impose and collect reasonable fees and charges in connection with such servicing; ~~and~~

(29) subject to the authority's investment policy, to enter into swap agreements (as defined in IC 8-9.5-9-4) in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7;

(30) to promote and foster low income housing, the rehabilitation of communities and the creation of commercial development to promote social welfare through the relief of the poor and distressed or of the underprivileged, and to combat community deterioration;

(31) to provide a range of services and activities having a measurable and potentially major impact on the cause of poverty;

(32) to provide activities designed to assist low income participants, including the elderly poor, to:

(A) secure and retain meaningful employment;

(B) attain an adequate education;

(C) make better use of available income;

(D) obtain and maintain adequate housing and a suitable living environment;

(E) obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, energy assistance, nutritious food, housing, and employment related assistance;

(F) remove obstacles and solve problems that block the achievement of self-sufficiency;

(G) achieve greater participation in the affairs of the community; and

(H) make more effective use of other programs related to the purposes of this chapter;

(33) to provide on an emergency basis for the provision of supplies, nutritious foodstuffs, and related services that are necessary to counteract conditions of starvation and malnutrition among the poor;

(34) to coordinate and establish linkages between governmental and other social services programs to ensure the effective delivery of services to low income individuals;

(35) to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community;

(36) to coordinate the provision of available services for migrant farmworkers;

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- (37) to study housing conditions and needs throughout
 Indiana to determine in what areas congested and unsanitary
 housing conditions constitute a menace to the health, safety,
 welfare, and reasonable comfort of citizens;
 (38) to recommend programs for correcting the causes of
 poverty;
 (39) to collect and distribute information relative to housing;
 (40) to investigate all matters affecting the cost of
 construction or production of dwellings;
 (41) to study means of lowering rents of dwellings through
 economy in the construction and arrangement of buildings;
 (42) to recommend the areas within which or adjacent to
 which the construction of housing projects by housing
 authorities may be undertaken;
 (43) to cooperate with local housing officials and plan
 commissions in the development of projects that the officials
 or commissions have under consideration;
 (44) to make special studies and recommendations for the
 rehabilitation of areas affected by floods or other disasters;
 (45) to administer energy assistance programs and any
 appropriation made for the purpose of providing energy
 assistance;
 (46) to receive and administer money that may be available to
 the state for energy and conservation assistance from the
 federal government;
 (47) to establish criteria to determine eligibility for energy
 assistance;
 (48) to administer the low income home weatherization
 programs;
 (49) to provide community services, crime prevention, and job
 training (as defined in IC 6-3.1-9-1);
 (50) to take actions necessary to implement its powers that the
 authority determines to be appropriate and necessary to
 ensure the availability of state or federal financial assistance;
 and
 (51) to administer any program or money designated by the
 state or available from the federal government or other
 sources that is consistent with the authority's powers and
 duties.

The omission of a power from the list in this subsection does not imply that the authority lacks that power. The authority may exercise any power that is not listed in this subsection but is consistent with the

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1 powers listed in this subsection to the extent that the power is not
 2 expressly denied by the Constitution of the State of Indiana or by
 3 another statute.

4 (b) The authority shall structure and administer any program
 5 conducted under subsection (a)(3) or (a)(4) in order to assure that no
 6 mortgage loan shall knowingly be made to a person whose adjusted
 7 family income shall exceed one hundred twenty-five percent (125%)
 8 of the median income for the geographic area within which the person
 9 resides and at least forty percent (40%) of the mortgage loans so
 10 financed shall be for persons whose adjusted family income shall be
 11 below eighty percent (80%) of the median income for such area.

12 (c) In addition to the powers set forth in subsection (a), the authority
 13 may, with the proceeds of bonds and notes sold to retirement plans
 14 covered by IC 5-10-1.7, structure and administer a program of
 15 purchasing or participating in the purchasing from mortgage lenders of
 16 mortgage loans made to qualified members of retirement plans and
 17 other individuals. The authority shall structure and administer any
 18 program conducted under this subsection to assure that:

19 (1) each mortgage loan is made as a first mortgage loan for real
 20 property:

21 (A) that is a single family dwelling, including a condominium
 22 or townhouse, located in Indiana;

23 (B) for a purchase price of not more than ninety-five thousand
 24 dollars (\$95,000);

25 (C) to be used as the purchaser's principal residence; and

26 (D) for which the purchaser has made a down payment in an
 27 amount determined by the authority;

28 (2) no mortgage loan exceeds seventy-five thousand dollars
 29 (\$75,000);

30 (3) any bonds or notes issued which are backed by mortgage loans
 31 purchased by the authority under this subsection shall be offered
 32 for sale to the retirement plans covered by IC 5-10-1.7; and

33 (4) qualified members of a retirement plan shall be given
 34 preference with respect to the mortgage loans that in the
 35 aggregate do not exceed the amount invested by their retirement
 36 plan in bonds and notes issued by the authority that are backed by
 37 mortgage loans purchased by the authority under this subsection.

38 (d) As used in this section, "a qualified member of a retirement
 39 plan" means an active or retired member:

40 (1) of a retirement plan covered by IC 5-10-1.7 that has invested
 41 in bonds and notes issued by the authority that are backed by
 42 mortgage loans purchased by the authority under subsection (c);

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and

(2) who for a minimum of two (2) years preceding the member's application for a mortgage loan has:

(A) been a full-time state employee, teacher, judge, police officer, or firefighter;

(B) been a full-time employee of a political subdivision participating in the public employees' retirement fund;

(C) been receiving retirement benefits from the retirement plan; or

(D) a combination of employment and receipt of retirement benefits equaling at least two (2) years.

(e) ~~Beginning with the 1991 program year,~~ The authority, when directed by the governor, shall administer

~~(1) the rental rehabilitation program established by the Housing Assistance Act of 1937 (42 U.S.C. 1437o); and~~

~~(2) federal funds allocated to the rental rehabilitation program under the Housing Assistance Act of 1937 (42 U.S.C. 1437o);~~
programs and funds under 42 U.S.C. 1437 et seq.

~~(f) The authority may contract with the division of family and children and the department of commerce so that the authority may administer the program and funds described under subsection (e) for program years before 1991.~~

~~(g) (f) Beginning May 15, 2005,~~ The authority shall identify, promote, assist, and fund home ownership education programs conducted throughout Indiana by nonprofit counseling agencies certified by the authority using funds appropriated under section 27 of this chapter. The attorney general and the entities listed in IC 4-6-12-4(a)(1) through IC 4-6-12-4(a)(10) shall cooperate with the authority in implementing this subsection.

SECTION 20. IC 5-20-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. ~~State Not Liable for Obligations of the Indiana Housing Finance Authority.~~ (a) Obligations issued under the provisions of this chapter do not constitute a debt, liability or obligation of the state of Indiana or a pledge of the faith and credit of the state of Indiana, but shall be payable solely from the revenues or assets of the authority. Under any circumstances, general fund revenues of the state of Indiana may not be used to pay all or part of the obligations of the authority, and there is no moral obligation of the state of Indiana to pay all or part of the obligations of the authority. Each obligation issued under this chapter shall contain on the face thereof a statement to the effect that the authority shall not be obligated to pay the same nor the interest thereon except from the revenues or

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assets pledged therefor and that neither the faith and credit nor the taxing power of the state of Indiana is pledged to the payment of the principal of or the interest on such obligation.

(b) Expenses incurred by the authority in carrying out the provisions of this chapter may be made payable from funds provided pursuant to this chapter, and no liability shall be incurred by the authority under this chapter beyond the extent to which moneys shall have been so provided.

SECTION 21. IC 5-20-1-27, AS ADDED BY P.L.235-2005, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 27. (a) The home ownership education account within the state general fund is established to support the home ownership education programs established under ~~section 4(g)~~ **section 4(f)** of this chapter. The account is administered by the authority.

(b) The home ownership education account consists of fees collected under IC 24-9-9.

(c) The expenses of administering the home ownership education account shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the home ownership education account not currently needed to meet the obligations of the account in the same manner as other public money may be invested.

SECTION 22. IC 5-20-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. As used in this chapter, each of the following shall have the meaning indicated unless a different meaning clearly appears from the context:

(1) "Bonds" means the revenue bonds authorized to be issued under this chapter and includes notes and any and all other limited obligations of a county or municipality payable as provided in this chapter.

(2) "Executive officer" of a county, city, or town has the meaning set forth in IC 36-1-2-5.

(3) "Governing body" of a county, city, or town has the meaning set forth in IC 36-1-2-9.

(4) "Home" means real property and improvements thereon constructed for human habitation, located within the county or municipality, consisting of not more than four (4) units, and owned by one (1) mortgagor who occupies or intends to occupy one (1) of such units.

(5) "Home mortgage" means an interest bearing loan for not to exceed thirty (30) years to a mortgagor for the purpose of purchasing or improving a home, evidenced by a promissory note

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and secured by a mortgage on this home, but shall not include a loan primarily for the purpose of refinancing an existing loan.

(6) "Lending institution" means any bank, trust company, savings bank, national banking association, savings association, mortgage banker, or other financing institution or governmental agency which customarily provides service or otherwise aids in the financing of mortgages on single family residential housing or multifamily residential housing, which institution, for a county, is located in that county, and for a municipality is located in the county in which the municipality is located, or any holding company for any of the foregoing.

(7) "Mortgagor" means an individual, or two (2) or more individuals acting together, who have received a home mortgage under this chapter.

(8) "Recording officer" means the clerk or clerk-treasurer of a county or municipality.

(9) "Municipality" means a city or town.

(10) "Authority" refers to the Indiana housing and community development authority created by IC 5-20-1-3.

SECTION 23. IC 5-20-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. ~~Other Limitations.~~

(a) Bonds shall not be issued by a county, city, town or consolidated city for home mortgages under this chapter if at the time of issuance and delivery there remains unexpended or uncommitted more than five percent (5%) of the net proceeds of a prior bond issued by that county, city, town or consolidated city under this chapter.

(b) Bonds shall not be issued under this chapter for home mortgages in an amount in excess of twenty-five percent (25%) of the average annual amount of mortgage lending in the county or municipality in the most recent three (3) year period for which the governing body shall by ordinance determine from the Home Mortgage Disclosure Act, Public Law 94-200.

(c) No issue shall be approved by the ~~state housing finance~~ authority if the amount of the issue exceeds the total amount of bond issues permissible under this chapter in the calendar year during which the proposed bonds will be issued.

The total amount of bonds permissible under this chapter in any calendar year shall be fifty dollars (\$50) multiplied by the population of the state of Indiana as determined by the most recent federal decennial census.

(d) There is a five percent (5%) down payment requirement. An issue meets this requirement only if seventy-five percent (75%) or more

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1 of the owner-occupied financing provided by the issue is ninety-five
 2 percent (95%) financing. For purposes of this subsection, financing of
 3 a residence is ninety-five percent (95%) financing if such financing is
 4 ninety-five percent (95%) or more of the acquisition cost of such
 5 residence.

6 A larger down payment is permitted in the case of alternative
 7 mortgage instruments as provided by law.

8 (e) No mortgage shall be made under this chapter the amount of
 9 which exceeds two and one-half (2 1/2) times the amount of the annual
 10 income of the prospective ~~mortgager~~ **mortgagor**. In addition, no
 11 financing shall be provided under this chapter to a prospective
 12 mortgagor who is already a mortgagor with respect to an existing
 13 mortgage financed under this chapter.

14 (f) The effective rate of interest on mortgages provided from a
 15 particular bond issue under this chapter may not exceed the yield on the
 16 issue by more than one (1) percentage point. For purposes of this
 17 subsection, the effective rate of mortgage interest and the bond yield
 18 shall be determined in accordance with reasonable procedures adopted
 19 by the ~~state housing finance~~ authority. However, the ~~state housing~~
 20 ~~finance~~ authority may waive the restriction in this subsection if it
 21 determines that:

22 (1) waiver of the restriction with respect to a proposed issue is in
 23 the best interests of the citizens of the issuing jurisdiction and the
 24 state of Indiana; and

25 (2) the proposed issue is not marketable without waiver of the
 26 restriction.

27 (g) An issue meets the requirements of this section only if a
 28 preliminary official statement of such issue has been submitted to the
 29 ~~state housing finance~~ authority, and:

30 (1) such authority has, within thirty (30) days after the date of
 31 such submission, issued an opinion that such issue meets the
 32 requirements of sections 4 and 5 of this chapter; or

33 (2) thirty (30) days have elapsed since such submission and
 34 during this thirty (30) day period the authority has not issued an
 35 opinion that the issue does not meet the requirements of sections
 36 4 and 5 of this chapter.

37 SECTION 24. IC 5-20-3-4 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) A mutual housing
 39 association may be established as a nonprofit corporation incorporated
 40 under IC 23-7-1.1 (before its repeal on August 1, 1991) or IC 23-17 to
 41 prevent and eliminate neighborhood deterioration and to preserve
 42 neighborhood stability by:

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(1) providing high quality, long term housing for families of low and moderate income; and

(2) affording community and residential involvement in the provision of that housing.

(b) The articles of incorporation of a mutual housing association must meet the requirements of the Indiana housing ~~finance and~~ **community development** authority under IC 5-20-1-6 and must be approved by the authority.

(c) The articles of incorporation of a mutual housing association must include a provision that provides that if the mutual housing association dissolves, is involved in a bankruptcy proceeding, or otherwise disposes of its physical properties, the association may only transfer the assets to another entity that provides high quality long term housing for families of low and moderate income.

SECTION 25. IC 5-20-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. The Indiana housing ~~finance and community development~~ authority may enter into a contract with a mutual housing association to provide financial assistance for the construction, rehabilitation, ownership, or operation of housing for families of low and moderate income. State financial assistance may be in the form of grants, loans, or a combination of grants and loans and may be used for the acquisition or development of housing sites and for the costs incurred in the development of the housing. Grants may not exceed the development cost of the housing project.

SECTION 26. IC 5-20-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. A contract for state financial assistance with a mutual housing association under section 6 of this chapter must include (for each housing site) the following provisions:

(1) Each housing site must be managed in an efficient manner to permit the fixing of the rentals at the lowest possible rates consistent with providing decent, safe, and sanitary dwelling accommodations.

(2) A mutual housing association may not construct or operate a housing site for profit.

(3) Rental rates may not be fixed a level higher than necessary to produce revenue that, together with other revenue, will be sufficient to pay, as it becomes due, the principal and interest on the loans made to the mutual housing authority, the maintenance and operating expenses of a housing project (including insurance and administrative costs), and an allowance for a reasonable

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1 return on equity capital contributed to a housing project through
 2 membership fees or nonstate grants. The rentals must be within
 3 the financial reach of families of low income. The return on
 4 equity capital must be used by the mutual housing association to
 5 develop additional dwelling units.

6 (4) The mutual housing association, subject to the approval of the
 7 **Indiana housing finance and community development**
 8 authority, shall fix the maximum income limits for the admission
 9 and continued occupancy of families in the housing. The
 10 association shall define the income of a family to provide the
 11 basis for determining eligibility for the admission, rent, and
 12 continued occupancy of families under the maximum income
 13 limits. In defining family income, the authority may provide for
 14 the exclusion of any part of the income of family members that
 15 the authority believes generally available to meet the cost of basic
 16 living needs of the family.

17 (5) The mutual housing association may not refuse to rent a
 18 dwelling accommodation to an otherwise qualified applicant
 19 because one (1) or more of the proposed occupants are children
 20 born out of wedlock.

21 (6) The mutual housing association shall provide each applicant
 22 for admission to the housing project a receipt stating the time and
 23 date of application and shall maintain a list of the applications
 24 that must be available for public inspection. The Indiana housing
 25 **finance and community development** authority shall adopt rules
 26 governing the form and procedure for maintaining the list.

27 (7) The mutual housing association may require the payment of
 28 a membership fee as a condition of eligibility of occupancy for a
 29 dwelling unit. The fee must be refunded to a resident member,
 30 with nominal interest, when the member vacates the dwelling
 31 unit.

32 (8) The Indiana housing **finance and community development**
 33 authority shall require and must approve an operation
 34 management plan for each housing project from the mutual
 35 housing association. The plan must provide for an income
 36 adequate to pay debt service, administrative costs (including a
 37 state service charge), operating costs, and adequate reserves for
 38 repairs, maintenance, replacements, and vacancy and collection
 39 losses. In addition, the mutual housing association shall adopt a
 40 plan for the administration of a housing project that must be
 41 approved by the tenants and the **Indiana housing finance and**
 42 **community development** authority. The association shall provide

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copies of the plan to each adult tenant and to the Indiana housing ~~finance and community development~~ authority.

(9) The Indiana housing ~~finance and community development~~ authority may inspect any housing during the period of the loan or, in the case of a grant, during the period when a housing project is used to house families of low and moderate income.

(10) The mutual housing association shall semiannually submit a report to the **Indiana** housing ~~finance and community development~~ authority with information on operating costs, tenant information, rentals, and any other information that the Indiana housing ~~finance and community development~~ authority requires by rule.

(11) The mutual housing association may request permission of the Indiana housing ~~finance and community development~~ authority to allow the continued occupancy of dwelling units by tenants whose annual income exceeds maximum limits or the rental of vacant units to tenants whose income exceeds maximum limits if the vacancies would result in the inability to pay debt service, administrative costs (including state service charges), operating costs, and reserve for repairs, maintenance, replacements, and collection costs. The continued occupancy or rental must be for a period of one (1) year, subject to subsequent one (1) year renewals. The mutual housing association may, subject to the approval of the Indiana housing ~~finance and community development~~ authority, fix rent at a higher level for tenants described in this subdivision.

(12) The difference between the increased rent and the normal rent described in subdivision (11) must be used by the mutual housing association to develop additional dwelling units or credited against the rent owed by another low or moderate income resident member of the association.

(13) The cost of options on housing sites, engineering and architectural services, and preliminary construction expenses may, subject to the approval of the Indiana housing ~~finance and community development~~ authority, be included as part of the cost of a project to be financed by a loan or grant.

(14) The mutual housing association may provide for variable rents based on family income.

SECTION 27. IC 5-20-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. The Indiana housing ~~finance and community development~~ authority may assess a mutual housing association a service charge for each loan or grant provided to

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1 the association.

2 SECTION 28. IC 5-20-3-10 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. The Indiana
4 housing ~~finance~~ **and community development** authority shall adopt
5 rules under IC 4-22-2 to carry out this chapter.

6 SECTION 29. IC 5-20-4-1 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. As used in this
8 chapter, "advisory committee" refers to the ~~housing trust~~ **affordable**
9 **housing and community development** fund advisory committee
10 established by **section 15** of this chapter.

11 SECTION 30. IC 5-20-4-3 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. As used in this
13 chapter, "~~housing finance~~ "authority" refers to the Indiana housing
14 ~~finance~~ **and community development** authority established under
15 IC 5-20-1.

16 SECTION 31. IC 5-20-4-4 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. As used in this
18 chapter, **unless the context requires otherwise**, "~~housing trust~~ "fund"
19 refers to the **affordable housing and community development** fund
20 established by **section 7** of this chapter.

21 SECTION 32. IC 5-20-4-7 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) There is
23 established the **affordable housing trust and community development**
24 fund. The fund shall be administered by the ~~Indiana housing finance~~
25 authority under the direction of the ~~Indiana housing finance~~ authority's
26 board.

27 (b) The fund consists of the following resources:

- 28 (1) Appropriations from the general assembly.
- 29 (2) Gifts, ~~and grants, to the fund:~~ **and donations of any tangible**
30 **or intangible property from public or private sources.**
- 31 (3) Investment income earned on the fund's assets.
- 32 (4) Repayments of loans from the fund.
- 33 (5) Funds borrowed from the board for depositories insurance
34 fund (IC 5-13-12-7).

35 (c) The treasurer of state shall invest the money in the fund not
36 currently needed to meet the obligations of the fund in the same
37 manner as other public funds may be invested.

38 (d) The money remaining in the fund at the end of a fiscal year does
39 not revert to the state general fund.

40 (e) Interest earned on the fund may be used by the ~~Indiana housing~~
41 ~~finance~~ authority to pay expenses incurred in the administration of the
42 fund.

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SECTION 33. IC 5-20-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) The money in the fund shall be used to provide financial assistance in the form of:

- (1) grants;
- (2) rent supplements;
- (3) loans; and
- (4) loan guarantees.

In addition, money from the fund may be used to provide technical assistance to nonprofit developers of low income housing.

(b) The financial assistance described in subsection (a) shall be used for:

(1) ~~the development, rehabilitation, or financing of affordable housing for acquisition, construction, rehabilitation, development, operation, and insurance of, and education concerning, affordable housing and community economic development; or~~

(2) **other programs considered appropriate to meet the affordable housing and community development needs of** lower income families and very low income families, including lower income elderly, persons with disabilities, and homeless individuals.

(c) At least fifty percent (50%) of the dollars allocated for ~~production, rehabilitation, or purchase of housing~~ must be used for ~~units to be occupied by~~ to serve very low income households.

SECTION 34. IC 5-20-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. The board for depositories shall determine the terms of the loan from the board for depositories insurance fund under section 8 of this chapter that must include the following:

(1) That the duration of the loan may not exceed twenty (20) years from the date of the execution of the agreement between the ~~Indiana housing finance~~ authority and the public deposit insurance fund operated by the board for depositories.

(2) The repayment schedule of the loan that:

(A) shall not require repayment of any principal; and

(B) must allow any principal to be repaid by the ~~housing trust~~ fund at any time;

before the end of the term for the loan.

(3) That no interest may be charged.

(4) The amount of the loan, which may not exceed five million dollars (\$5,000,000).

SECTION 35. IC 5-20-4-10.1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10.1. The ~~Indiana~~
 2 ~~housing finance~~ authority and the board for depositories shall establish
 3 procedures to insure repayment of the loan principal at the end of the
 4 loan term. The procedures may include purchase of a zero coupon bond
 5 to insure the loan principal, a requirement that a percentage of the
 6 loans issued by the ~~Indiana housing finance~~ authority be made through
 7 a linked deposit program in certificates of deposit, or other procedures
 8 that the ~~Indiana housing finance~~ authority and the board for
 9 depositories may determine appropriate.

10 SECTION 36. IC 5-20-4-11 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. (a) At least fifty
 12 percent (50%) of the resources of the fund shall be allocated to
 13 recognized nonprofit corporations under Section 501(c) of the Internal
 14 Revenue Code.

15 (b) The resources of the fund that are not allocated under subsection
 16 (a) may be allocated to private developers of housing and private
 17 development entities as determined by the ~~Indiana housing finance~~
 18 authority.

19 SECTION 37. IC 5-20-4-12 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. Rental housing that
 21 is developed with money from the ~~housing trust~~ fund shall be made
 22 available for occupancy to low income families or very low income
 23 families for at least fifteen (15) years. In the event of foreclosure or
 24 equivalent action, the remaining affordability period may be waived by
 25 the ~~Indiana housing finance~~ authority.

26 SECTION 38. IC 5-20-4-13 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. A developer of
 28 ~~housing~~ that uses funds from the ~~housing trust~~ fund shall certify to the
 29 ~~Indiana housing finance~~ authority that the developer will comply with
 30 the following:

- 31 (1) The federal Civil Rights Act of 1968 (P.L. 90-284).
- 32 (2) The federal Fair Housing Amendments of 1988 (P.L.
 33 100-430).
- 34 (3) The Indiana Civil Rights Law (IC 22-9-1).

35 SECTION 39. IC 5-20-4-14 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. The ~~Indiana~~
 37 ~~housing finance~~ authority shall establish written policies and
 38 procedures to implement this chapter. These policies and procedures
 39 shall include the following:

- 40 (1) The development of an application process for requesting
 41 financial assistance under this chapter.
- 42 (2) The establishment of a procedure for disbursing financial

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assistance under this chapter.

(3) The establishment of a rate of interest for a loan under this chapter.

(4) The establishment of loan underwriting criteria to protect the assets of the fund. The ~~Indiana housing finance~~ authority shall require a lien or other security when appropriate and in the amounts the authority determines appropriate.

(5) A requirement that a financial institution holding an obligation that is guaranteed under this chapter must adequately secure the obligation.

(6) Standards requiring a local match for any assistance under this chapter and establishing the level of local match required.

(7) The establishment of a cap on the amount of financial assistance that any recipient may receive.

(8) The establishment of procedures to do the following:

(A) Ensure that an equitable part of all funds are distributed to rural areas of Indiana.

(B) Enable the authority to use the fund to provide matching funds to local housing trust funds in Indiana.

(C) Promote community economic development.

SECTION 40. IC 5-20-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. (a) The ~~housing trust~~ **affordable housing and community development** fund advisory committee is established.

(b) The **advisory** committee consists of sixteen (16) members to be appointed by the governor as follows:

(1) One (1) member of the ~~division of mental health and addiction;~~ **office of the secretary of family and social services.**

(2) One (1) member of the ~~division of family and children;~~ **Indiana economic development corporation.**

(3) One (1) member of the ~~division of disability, aging, and rehabilitative services;~~ **to represent home builders.**

(4) One (1) member of the ~~department of commerce;~~ **office of rural affairs established by IC 4-4-9.7-4.**

(5) One (1) member to represent residential real estate developers.

(6) One (1) member to represent construction trades.

(7) One (1) member to represent ~~banks and other lending institutions;~~ **mortgage lenders.**

(8) One (1) member to represent the interests of persons with disabilities.

(9) One (1) member to represent service providers.

(10) Two (2) members to represent neighborhood groups.

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- (11) One (1) member to represent low income families.
- (12) One (1) member to represent nonprofit community based organizations and community development corporations.
- (13) One (1) member to represent real estate brokers or salespersons.
- (14) One (1) member to represent the Indiana Apartment Owner's Association.
- (15) One (1) member to represent the manufactured housing industry.

At least three (3) members of the **advisory** committee shall be from a city with a population of less than thirty-five thousand (35,000), a town, or a rural area.

(c) Members of the advisory committee shall serve a term of three (3) years. However, the governor may remove for cause an appointed member of the advisory committee and fill vacancies of appointed members on the advisory committee.

(d) The advisory committee shall make recommendations to the ~~housing finance~~ authority regarding:

- (1) the development of policies and procedures under section 14 of this chapter; and
- (2) long term sources to capitalize the ~~housing trust~~ fund, including the following:
 - (A) Revenue from development ordinances, fees, or taxes.
 - (B) Market based or private revenue.
 - (C) Revenue generated from government programs, foundations, private individuals, or corporations.

(e) The advisory committee shall prepare and present an annual report that:

- (1) describes disbursements under the ~~housing trust~~ fund; and
- (2) makes recommendations to the board of the ~~Indiana housing finance~~ authority regarding long term sources to capitalize the ~~housing trust~~ fund.

SECTION 41. IC 5-20-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. As used in this chapter, "authority" means the Indiana housing ~~finance and community development~~ authority **created by IC 5-20-1-3.**

SECTION 42. IC 5-20-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. The ~~purpose of the fund is to~~ **authority may** provide grants and loans to eligible entities for programs that do any of the following:

- (1) Provide financial assistance to lower income families for the purchase of affordable housing in the form of grants, loans, and

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loan guarantees.

(2) Provide rent and rent supplements to lower income families.

(3) Provide loans or grants for the acquisition, construction, rehabilitation, development, operation, and insurance of affordable housing for lower income families.

SECTION 43. IC 6-1.1-10-16.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16.7. All or part of real property is exempt from property taxation if:

(1) the improvements on the real property were constructed, rehabilitated, or acquired for the purpose of providing housing to income eligible persons under the federal low income housing tax credit program under 26 U.S.C. 42;

(2) the real property is subject to an extended use agreement under 26 U.S.C. 42 as administered by the Indiana housing **finance and community development** authority; and

(3) the owner of the property has entered into an agreement to make payments in lieu of taxes under IC 36-1-8-14.2, IC 36-2-6-22, or IC 36-3-2-11.

SECTION 44. IC 6-2.5-6-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. A retail merchant who extends assistance under ~~IC 4-2-14-11~~ **IC 4-4-34** may deduct from ~~his~~ **the retail merchant's** state gross retail and use tax payment an amount equal to all or part of the aggregate assistance extended by the retail merchant under ~~IC 4-2-14-11~~ **IC 4-4-34** during the reporting period for which the state gross retail and use tax payment is made.

SECTION 45. IC 6-3.1-9-1, AS AMENDED BY P.L.235-2005, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) **As used in this chapter, "authority" means the Indiana housing and community development authority established by IC 5-20-1-3.**

(b) As used in this chapter, "business firm" means any business entity authorized to do business in the state of Indiana that has state tax liability.

(c) **As used in this chapter, "community services" means any type of:**

(1) counseling and advice;

(2) emergency assistance;

(3) medical care;

(4) recreational facilities;

(5) housing facilities; or

(6) economic development assistance;

provided to individuals, economically disadvantaged households,

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groups, or neighborhood organizations in an economically disadvantaged area.

(d) As used in this chapter, "crime prevention" means any activity which aids in the reduction of crime in an economically disadvantaged area or an economically disadvantaged household.

(e) As used in this chapter, "economically disadvantaged area" means an enterprise zone, or any area in Indiana that is certified as an other federally or locally designated economically disadvantaged area by the Indiana housing finance authority after consultation with the community services agency in Indiana. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

(f) As used in this chapter, "economically disadvantaged household" means a household with an annual income that is at or below eighty percent (80%) of the area median income or any other federally designated target population.

(g) As used in this chapter, "education" means any type of scholastic instruction or scholarship assistance to an individual who resides in an economically disadvantaged area that enables the individual to prepare for better life opportunities.

(h) As used in this chapter, "enterprise zone" means an enterprise zone created under IC 5-28-15.

(i) As used in this chapter, "job training" means any type of instruction to an individual who resides in:

- (1) an economically disadvantaged area; or**
- (2) an economically disadvantaged household;**

that enables the individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment.

(j) As used in this chapter, "neighborhood assistance" means either:

- (1) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part or all of an economically disadvantaged area; or**
- (2) furnishing technical advice to promote higher employment in any neighborhood in Indiana.**

(k) As used in this chapter, "neighborhood organization" means any organization, including but not limited to a nonprofit development corporation doing both of the following:

- (1) Performing community services:**

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(A) in an economically disadvantaged area; ~~and or~~
 (B) for an economically disadvantaged household.

(2) Holding a ruling:

(A) from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code; and

(B) from the department of state revenue that the organization is exempt from income taxation under IC 6-2.5-5-21.

(l) As used in this chapter, "person" means any individual subject to Indiana gross or adjusted gross income tax.

(m) As used in this chapter, "state fiscal year" means a twelve (12) month period beginning on July 1 and ending on June 30.

(n) As used in this chapter, "state tax liability" means the taxpayer's total tax liability that is incurred under:

(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and

(2) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

(o) As used in this chapter, "tax credit" means a deduction from any tax otherwise due and payable under IC 6-3 or IC 6-5.5.

SECTION 46. IC 6-3.1-9-2, AS AMENDED BY P.L.235-2005, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A business firm or a person who contributes to a neighborhood organization ~~or who that~~ engages in the activities of providing neighborhood assistance, job training or education for individuals not employed by the business firm or person, or for community services or crime prevention in an economically disadvantaged area shall receive a tax credit as provided in section 3 of this chapter if the ~~Indiana housing finance~~ authority approves the proposal of the business firm or person, setting forth the program to be conducted, the area selected, the estimated amount to be invested in the program, and the plans for implementing the program.

(b) The ~~Indiana housing finance~~ authority, after consultation with the community services agency and the commissioner of revenue, may adopt rules for the approval or disapproval of these proposals.

SECTION 47. IC 6-3.1-9-4, AS AMENDED BY P.L.235-2005, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) Any business firm or person which desires to claim a tax credit as provided in this chapter shall file with the department, in the form that the department may prescribe, an

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1 application stating the amount of the contribution or investment which
 2 it proposes to make which would qualify for a tax credit, and the
 3 amount sought to be claimed as a credit. The application shall include
 4 a certificate evidencing approval of the contribution or program by the
 5 ~~Indiana housing finance~~ authority.

6 (b) The ~~Indiana housing finance~~ authority shall give priority in
 7 issuing certificates to applicants whose contributions or programs
 8 directly benefit enterprise zones.

9 (c) The department shall promptly notify an applicant whether, or
 10 the extent to which, the tax credit is allowable in the state fiscal year in
 11 which the application is filed, as provided in section 5 of this chapter.
 12 If the credit is allowable in that state fiscal year, the applicant shall
 13 within thirty (30) days after receipt of the notice file with the
 14 department of state revenue a statement, in the form and accompanied
 15 by the proof of payment as the department may prescribe, setting forth
 16 that the amount to be claimed as a credit under this chapter has been
 17 paid to an organization for an approved program or purpose, or
 18 permanently set aside in a special account to be used solely for an
 19 approved program or purpose.

20 (d) The department may disallow any credit claimed under this
 21 chapter for which the statement or proof of payment is not filed within
 22 the thirty (30) day period.

23 SECTION 48. IC 8-1-2-105 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 105. (a) No public
 25 utility may make or give any undue or unreasonable preference or
 26 advantage to any person, or subject any person to any undue or
 27 unreasonable prejudice or disadvantage in any respect. A person who
 28 violates this section commits a Class B infraction.

29 (b) Nothing in this chapter shall prevent any public utility from
 30 furnishing service free or at reduced rates to any of its employees and
 31 officers or retired employees and officers or from providing energy
 32 assistance under ~~IC 12-14-11~~ IC 4-4-34 to persons eligible for that
 33 assistance.

34 SECTION 49. IC 8-1-2-121 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 121. (a)
 36 Notwithstanding any other provision of law, from December 1 through
 37 March 15 of any year, no electric or gas utility, including a municipally
 38 owned, privately owned, or cooperatively owned utility, shall terminate
 39 residential electric or gas service for persons who are eligible for and
 40 have applied for assistance under ~~IC 12-14-11~~ IC 4-4-34. The
 41 commission shall implement procedures to ensure that electric or gas
 42 utility service is continued while eligibility for such persons is being

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determined.

(b) Any electric or gas utility, including a municipally owned, privately owned, or cooperatively owned utility, shall provide any residential customer whose account is delinquent an opportunity to enter into a reasonable amortization agreement with such company to pay the delinquent account. Such an amortization agreement must provide the customer with adequate opportunity to apply for and receive the benefits of any available public assistance program. An amortization agreement is subject to amendment on the customer's request if there is a change in the customer's financial circumstances.

(c) The commission may establish a reasonable rate of interest which a utility may charge on the unpaid balance of a customer's delinquent bill that may not exceed the rate established by the commission under section 34.5 of this chapter.

(d) The commission shall adopt rules under IC 4-22-2 to carry out the provisions of this section.

(e) This section does not prohibit an electric or gas utility from terminating residential utility service upon a request of a customer or under the following circumstances:

- (1) If a condition dangerous or hazardous to life, physical safety, or property exists.
- (2) Upon order by any court, the commission, or other duly authorized public authority.
- (3) If fraudulent or unauthorized use of electricity or gas is detected and the utility has reasonable grounds to believe the affected customer is responsible for such use.
- (4) If the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for such tampering.

SECTION 50. IC 8-9.5-9-2, AS AMENDED BY P.L.214-2005, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. As used in this chapter, "authority" means:

- (1) an authority or agency established under IC 8-1-2.2 or IC 8-9.5 through IC 8-23;
- (2) when acting under an affected statute (as defined in IC 4-4-10.9-1.2), the Indiana finance authority established by IC 4-4-11;
- (3) only in connection with a program established under IC 13-18-13 or IC 13-18-21, the bank established under IC 5-1.5;
- (4) a fund or program established under IC 13-18-13 or IC 13-18-21;
- (5) the Indiana health and educational facility financing authority

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established by IC 5-1-16;

(6) the Indiana housing ~~finance~~ **and community development** authority established by IC 5-20-1;

(7) the authority established under IC 4-4-11; or

(8) the authority established under IC 5-1-17.

SECTION 51. IC 12-7-2-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 34. "Commission" means the following:

(1) For purposes of IC 12-10-2, the meaning set forth in IC 12-10-2-1.

(2) For purposes of IC 12-11-7, the meaning set forth in IC 12-11-7-1.

(3) For purposes of IC 12-12-2, the meaning set forth in IC 12-12-2-1.

(4) For purposes of IC 12-13-14, the meaning set forth in IC 12-13-14-1.

~~(5) For purposes of IC 12-14-12, the meaning set forth in IC 12-14-12-1.~~

~~(6)~~ (5) For purposes of IC 12-28-1, the meaning set forth in IC 12-28-1-3.

SECTION 52. IC 12-8-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. This chapter applies only to the indicated money of the following state agencies to the extent that the money is used by the agency to obtain services from grantee agencies to carry out the program functions of the agency:

(1) Money appropriated or allocated to a state agency from money received by the state under the Social Services Block Grant Act (42 U.S.C. 1397 et seq.).

(2) The division of disability, aging, and rehabilitative services, except this chapter does not apply to money expended under the following:

(A) The following statutes, unless application of this chapter is required by another subdivision of this section:

(i) IC 12-10-6.

(ii) IC 12-10-12.

(B) Epilepsy services.

(3) The division of family and children, for money expended under the following **programs**:

~~(A) The following statutes:~~

~~(i) IC 12-14-10.~~

~~(ii) IC 12-14-11.~~

~~(iii) IC 12-14-12.~~

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- 1 ~~(B)~~ The following programs:
- 2 ~~(i)~~ (A) The child development associate scholarship program.
- 3 ~~(ii)~~ (B) The dependent care program.
- 4 ~~(iii)~~ (C) Migrant day care.
- 5 ~~(iv)~~ (D) The youth services bureau.
- 6 ~~(v)~~ (E) The project safe program.
- 7 ~~(vi)~~ (F) The commodities program.
- 8 ~~(vii)~~ (G) The migrant nutrition program.
- 9 ~~(viii)~~ (H) Any emergency shelter program.
- 10 ~~(ix)~~ (I) The energy weatherization program.
- 11 ~~(x)~~ (J) Programs for individuals with developmental
- 12 disabilities.
- 13 (4) The state department of health, for money expended under the
- 14 following statutes:
- 15 (A) IC 16-19-10.
- 16 (B) IC 16-38-3.
- 17 (5) The group.
- 18 (6) All state agencies, for any other money expended for the
- 19 purchase of services if all the following apply:
- 20 (A) The purchases are made under a contract between the state
- 21 agency and the office of the secretary.
- 22 (B) The contract includes a requirement that the office of the
- 23 secretary perform the duties and exercise the powers described
- 24 in this chapter.
- 25 (C) The contract is approved by the budget agency.
- 26 (7) The division of mental health and addiction.
- 27 SECTION 53. IC 12-8-10-9 IS AMENDED TO READ AS
- 28 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) Each grantee
- 29 agency receiving money under a contract covered by this chapter shall
- 30 maintain sufficient records to show the following:
- 31 (1) The actual cost of services provided under the contract.
- 32 (2) The nature and amount of services provided under the
- 33 contract.
- 34 (b) At least every two (2) years the group shall, in the manner
- 35 prescribed by the state board of accounts, conduct audits of all grantee
- 36 agencies that, under a contract under this chapter, receive payment
- 37 from any of the money described in section 1(2) or ~~1(3)(B)(x)~~ **1(3)(J)**
- 38 of this chapter. These audits must include an investigation of the
- 39 records of the grantee agencies to determine whether the services
- 40 rendered under the contracts have been in compliance with the terms
- 41 of the contracts.
- 42 (c) This section does not prohibit the state board of accounts from

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auditing grantee agencies under the board's own authority. The office of the secretary may do either of the following:

(1) Contract with the state board of accounts to conduct audits of grantee agencies.

(2) Require grantee agencies to obtain independent audits of their agencies.

(d) A contract between a state agency and the office of the secretary under section (1)(6) of this chapter may include a provision requiring the group to perform or arrange for the audits described by this section.

SECTION 54. IC 12-13-5-2, AS AMENDED BY P.L.234-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. The division shall administer the following:

(1) Any sexual offense services.

(2) A child development associate scholarship program.

(3) Any school age dependent care program.

(4) Migrant day care services.

(5) Prevention services to high risk youth.

~~(6) Any commodities program.~~

~~(7) (6) The migrant nutrition program.~~

~~(8) Any emergency shelter programs.~~

~~(9) Any weatherization programs.~~

~~(10) The Housing Assistance Act of 1937 (42 U.S.C. 1437).~~

~~(11) (7) The home visitation and social services program.~~

~~(12) (8) The educational consultants program.~~

~~(13) (9) Community restitution or service programs.~~

~~(14) (10) The crisis nursery program.~~

~~(15) Energy assistance programs.~~

~~(16) (11) Domestic violence programs.~~

~~(17) (12) Social services programs.~~

~~(18) Assistance to migrants and seasonal farmworkers.~~

~~(19) (13) The step ahead comprehensive early childhood grant program.~~

~~(20) (14) Any other program:~~

(A) designated by the general assembly; or

(B) administered by the federal government under grants consistent with the duties of the division.

SECTION 55. IC 12-13-7-1, AS AMENDED BY P.L.234-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. The division shall administer the following:

~~(1) The Community Services Block Grant under 42 U.S.C. 9901 et seq.~~

~~(2) The Low Income Home Energy Assistance Block Grant under~~

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~~42 U.S.C. 8621 et seq.~~

~~(3) The United States Department of Energy money under 42 U.S.C. 6851 et seq.~~

~~(4) (1) The domestic violence prevention and treatment fund under IC 12-18-4.~~

~~(5) (2) The Child Care and Development Block Grant under 42 U.S.C. 9858 et seq.~~

~~(6) (3) The federal Food Stamp Program under 7 U.S.C. 2011 et seq.~~

~~(7) (4) Title IV-A of the federal Social Security Act.~~

~~(8) (5) Any other funding source:~~

(A) designated by the general assembly; or

(B) available from the federal government under grants that are consistent with the duties of the division.

SECTION 56. IC 12-20-16-3, AS AMENDED BY P.L.73-2005, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) The township trustee may, in cases of necessity, authorize the payment from township assistance money for essential utility services, including the following:

(1) Water services.

(2) Gas services.

(3) Electric services.

(4) Fuel oil services for fuel oil used for heating or cooking.

(5) Coal, wood, or liquid propane used for heating or cooking.

(b) The township trustee may authorize the payment of delinquent bills for the services listed in subsection (a)(1) through (a)(5) when necessary to prevent the termination of the services or to restore terminated service if the delinquency has lasted not longer than twenty-four (24) months. The township trustee has no obligation to pay a delinquent bill for the services or materials listed in subsection (a)(1) through (a)(5) if the delinquency has lasted longer than twenty-four (24) months.

(c) The township trustee is not required to pay for any utility service:

(1) that is not properly charged to:

(A) an adult member of a household;

(B) an emancipated minor who is head of the household; or

(C) a landlord or former member of the household if the applicant proves that the applicant:

(i) received the services as a tenant residing at the service address at the time the cost was incurred; and

(ii) is responsible for payment of the bill;

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(2) received as a result of a fraudulent act by any adult member of a household requesting township assistance; or

(3) that includes the use of township assistance funds for the payment of:

(A) a security deposit; or

(B) damages caused by a township assistance applicant to utility company property.

(d) The amount paid by the township trustee, as administrator of township assistance, and the amount charged for water services may not exceed the minimum rate charged for the service as fixed by the Indiana utility regulatory commission.

(e) This subsection applies only during the part of each year when applications for assistance are accepted by the ~~division under IC 12-14-11~~ **lieutenant governor under IC 4-4-34**. A township trustee may not provide assistance to make any part of a payment for heating fuel or electric services for more than thirty (30) days unless the individual files an application with the township trustee that includes the following:

(1) Evidence of application for assistance for heating fuel or electric services from the ~~division under IC 12-14-11~~ **lieutenant governor under IC 4-4-34**.

(2) The amount of assistance received or the reason for denial of assistance.

The township trustee shall inform an applicant for assistance for heating fuel or electric services that assistance for heating fuel and electric services may be available from the ~~division under IC 12-14-11~~ **lieutenant governor under IC 4-4-34** and that the township trustee may not provide assistance to make any part of a payment for those services for more than thirty (30) days unless the individual files an application for assistance for heating fuel or electric services under ~~IC 12-14-11~~ **IC 4-4-34**. However, if the applicant household is eligible under criteria established by the ~~division of disability, aging, and rehabilitative services~~ **lieutenant governor** for energy assistance under ~~IC 12-14-11~~ **IC 4-4-34**, the trustee may certify the applicant as eligible for that assistance by completing an application form prescribed by the state board of accounts and forwarding the eligibility certificate to the ~~division of disability, aging, and rehabilitative services~~ **lieutenant governor** within the period established for the acceptance of applications. If the trustee follows this certification procedure, no other application is required for assistance under ~~IC 12-14-11~~ **IC 4-4-34**.

(f) If an individual or a member of an individual's household has received assistance under subsection (b), the individual must, before

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the individual or the member of the individual's household may receive further assistance under subsection (b), certify whether the individual's or household's income, resources, or household size has changed since the individual filed the most recent application for township assistance. If the individual or a member of the individual's household certifies that the income, resources, or household size has changed, the township trustee shall review the individual's or household's eligibility and may make any necessary adjustments in the level of assistance provided to the individual or to a member of the individual's household.

SECTION 57. IC 23-2-5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 19. (a) The following persons are exempt from the requirements of sections 4, 5, 6, 9, 17, 18, and 21 of this chapter:

- (1) Any attorney while engaging in the practice of law.
- (2) Any certified public accountant, public accountant, or accountant practitioner holding a certificate or registered under IC 25-2.1 while performing the practice of accountancy (as defined by IC 25-2.1-1-10).
- (3) Any person licensed as a real estate broker or salesperson under IC 25-34.1 to the extent that the person is rendering loan related services in the ordinary course of a transaction in which a license as a real estate broker or salesperson is required.
- (4) Any broker-dealer, agent, or investment advisor registered under IC 23-2-1.
- (5) Any person that:
 - (A) procures;
 - (B) promises to procure; or
 - (C) assists in procuring;
 a loan that is not subject to the Truth in Lending Act (15 U.S.C. 1601 through 1667e).
- (6) Any community development corporation (as defined in IC 4-4-28-2) acting as a subrecipient of funds from the Indiana housing **finance and community development** authority established by IC 5-20-1-3.
- (7) The Indiana housing **finance and community development** authority.
- (8) Any person authorized to:
 - (A) sell and service a loan for the Federal National Mortgage Association or the Federal Home Loan Mortgage Association;
 - (B) issue securities backed by the Government National Mortgage Association;
 - (C) make loans insured by the United States Department of

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Housing and Urban Development or the United States Department of Agriculture Rural Housing Service;
 (D) act as a supervised lender or nonsupervised automatic lender of the United States Department of Veterans Affairs; or
 (E) act as a correspondent of loans insured by the United States Department of Housing and Urban Development.

(9) Any person who is a creditor, or proposed to be a creditor, for any loan.

(b) As used in this chapter, "bona fide third party fee" includes fees for the following:

(1) Credit reports, investigations, and appraisals performed by a person who holds a license or certificate as a real estate appraiser under IC 25-34.1-8.

(2) If the loan is to be secured by real property, title examinations, an abstract of title, title insurance, a property survey, and similar purposes.

(3) The services provided by a loan broker in procuring possible business for a lending institution if the fees are paid by the lending institution.

(c) As used in this section, "successful procurement of a loan" means that a binding commitment from a creditor to advance money has been received and accepted by the borrower.

(d) The burden of proof of any exemption or classification provided in this chapter is on the party claiming the exemption or classification.

SECTION 58. IC 24-4.5-1-202 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 202. This article does not apply to the following:

(1) Extensions of credit to government or governmental agencies or instrumentalities.

(2) The sale of insurance by an insurer, except as otherwise provided in the chapter on insurance (IC 24-4.5-4).

(3) Transactions under public utility, municipal utility, or common carrier tariffs if a subdivision or agency of this state or of the United States regulates the charges for the services involved, the charges for delayed payment, and any discount allowed for early payment.

(4) The rates and charges and the disclosure of rates and charges of a licensed pawnbroker established in accordance with a statute or ordinance concerning these matters.

(5) A sale of goods, services, or an interest in land in which the goods, services, or interest in land are purchased primarily for a purpose other than a personal, family, or household purpose.

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(6) A loan in which the debt is incurred primarily for a purpose other than a personal, family, or household purpose.

(7) An extension of credit primarily for a business, a commercial, or an agricultural purpose.

(8) An installment agreement for the purchase of home fuels in which a finance charge is not imposed.

(9) Loans made, insured, or guaranteed under a program authorized by Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(10) Transactions in securities or commodities accounts in which credit is extended by a broker-dealer registered with the Securities and Exchange Commission or the Commodity Futures Trading Commission.

(11) A loan made:

(A) in compliance with the requirements of; and

(B) by a community development corporation (as defined in IC 4-4-28-2) acting as a subrecipient of funds from;

the Indiana housing ~~finance~~ **and community development** authority established by IC 5-20-1-3.

SECTION 59. IC 24-9-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. Except for IC 24-9-3-7(3), this article does not apply to:

(1) a loan made or acquired by a person organized or chartered under the laws of this state, any other state, or the United States relating to banks, trust companies, savings associations, savings banks, credit unions, or industrial loan and investment companies; or

(2) a loan:

(A) that can be purchased by the Federal National Mortgage Association, the Federal Home Loan Mortgage Association, or the Federal Home Loan Bank;

(B) to be insured by the United States Department of Housing and Urban Development;

(C) to be guaranteed by the United States Department of Veterans Affairs;

(D) to be made or guaranteed by the United States Department of Agriculture Rural Housing Service;

(E) to be funded by the Indiana housing ~~finance~~ **and community development** authority; or

(F) with a principal amount that exceeds the conforming loan size limit for a single family dwelling as established by the Federal National Mortgage Association.

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1 SECTION 60. IC 24-9-7-2 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. Political subdivisions
 3 may not:

4 (1) enact, issue, or enforce ordinances, resolutions, regulations,
 5 orders, requests for proposals, or requests for bids pertaining to
 6 financial or lending activities, including ordinances, resolutions,
 7 and rules that disqualify persons from doing business with a
 8 municipality and that are based upon lending terms or practices;
 9 or

10 (2) impose reporting requirements or any other obligations upon
 11 persons regarding financial services or lending practices or upon
 12 subsidiaries or affiliates that:

13 (A) are subject to the jurisdiction of the department of
 14 financial institutions;

15 (B) are subject to the jurisdiction or regulatory supervision of
 16 the Board of Governors of the Federal Reserve System, the
 17 Office of the Comptroller of the Currency, the Office of Thrift
 18 Supervision, the National Credit Union Administration, the
 19 Federal Deposit Insurance Corporation, the Federal Trade
 20 Commission, or the United States Department of Housing and
 21 Urban Development;

22 (C) are chartered by the United States Congress to engage in
 23 secondary market mortgage transactions;

24 (D) are created by the Indiana housing ~~finance~~ and
 25 **community development** authority; or

26 (E) originate, purchase, sell, assign, securitize, or service
 27 property interests or obligations created by financial
 28 transactions or loans made, executed, originated, or purchased
 29 by persons referred to in clauses (A), (B), (C), or (D).

30 SECTION 61. IC 34-30-2-15 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. IC 5-20-1-19
 32 (Concerning members and officers of the Indiana housing ~~finance~~ and
 33 **community development** authority).

34 SECTION 62. IC 36-1-8-14.2 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14.2. (a) As used in this
 36 section, the following terms have the meanings set forth in IC 6-1.1-1:

37 (1) Assessed value.

38 (2) Exemption.

39 (3) Owner.

40 (4) Person.

41 (5) Property taxation.

42 (6) Real property.

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(7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7.

(d) Subject to the approval of a property owner, the governing body of a political subdivision may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7, if the improvements that qualify the real property for an exemption were begun or acquired after December 31, 2001. The ordinance remains in full force and effect until repealed or modified by the governing body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount equal to the amount of property taxes that would have been levied by the governing body for the political subdivision upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). The township assessors shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the **unit's** affordable housing fund established under IC 5-20-5-15.5 and used for any purpose for which the affordable housing fund may be used.

(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

(i) This section does not apply to a county that contains a consolidated city or to a political subdivision of the county.

SECTION 63. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2006]: IC 5-20-5-5; IC 5-20-5-7; IC 5-20-5-9; IC 5-20-5-10; IC 5-20-5-11; IC 5-20-5-12; IC 5-20-5-13; IC 5-20-5-14; IC 5-20-5-15; IC 5-20-5-19; IC 12-7-2-75; IC 12-7-2-106; IC 12-7-2-107; IC 12-14-10; IC 12-14-11; IC 12-14-12.

SECTION 64. [EFFECTIVE JULY 1, 2006] (a) A member serving on the housing trust fund advisory committee on July 1, 2006, may remain a member of the committee until the expiration of the member's term notwithstanding a change in the qualifications for the member's position under IC 5-20-4-15, as amended by this act.

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1 **(b) This SECTION expires July 1, 2009.**

2 SECTION 65. [EFFECTIVE JULY 1, 2006] **(a) Notwithstanding**
3 **the repeal of IC 5-20-5-7 by this act, the Indiana affordable**
4 **housing fund established by IC 5-20-5-7 shall remain in existence**
5 **after June 30, 2006, if any money remains in the fund on June 30,**
6 **2006.**

7 **(b) Money remaining in the Indiana affordable housing fund on**
8 **June 30, 2006, must be transferred to the affordable housing and**
9 **community development fund established by IC 5-20-4-7, as**
10 **amended by this act, before August 1, 2006.**

11 **(c) If money in the Indiana affordable housing fund is**
12 **transferred under subsection (b), the fund is abolished after the**
13 **transfer under subsection (b) is completed.**

14 **(d) This SECTION expires August 1, 2006.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1261, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 12, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 12. IC 4-4-33 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 33. Miscellaneous Community Development Programs

Sec. 1. The lieutenant governor shall administer the following:

- (1) The Housing Assistance Act of 1937 (42 U.S.C. 1437).
- (2) Community services programs, including the Community Services Block Grant under 42 U.S.C. 9901 et seq.
- (3) Home energy assistance programs, including the Low Income Home Energy Assistance Block Grant under 42 U.S.C. 8621 et seq.
- (4) Weatherization programs, including weatherization programs and money received under 42 U.S.C. 6851 et seq.
- (5) Food and nutrition programs, including food and nutrition programs and money received under 7 U.S.C. 612, 7 U.S.C. 7501 et seq., and 42 U.S.C. 9922 et seq.
- (6) Migrant and farm worker programs and money under 20 U.S.C. 6391 et seq., 29 U.S.C. 49 et seq., and 42 U.S.C. 1397 et seq.
- (7) Emergency shelter grant programs and money under 42 U.S.C. 11371 et seq.
- (8) Shelter plus care programs and money under 42 U.S.C. 11403 et seq.

SECTION 13. IC 4-4-34 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 34. Home Energy Assistance Programs

Sec. 1. As used in this chapter, "eligible household" means a household determined by the lieutenant governor to be eligible in the state plan for the program period.

Sec. 2. As used in this chapter, "eligible individual" means:

- (1) a person who was systematically persecuted for racial or religious reasons by Nazi Germany or any other Axis regime; or
- (2) an heir of a person described in subdivision (1).

Sec. 3. As used in this chapter, "Holocaust victim's settlement

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payment" means a payment received:

- (1) as a result of the settlement of the action entitled "In re Holocaust Victims' Asset Litigation", (E.D. NY) C.A. No. 96-4849;
- (2) under the German Act Regulating Unresolved Property Claims;
- (3) under any other foreign law providing payments for Holocaust claims; or
- (4) as a result of the settlement of any other Holocaust claim, including:
 - (A) insurance claims;
 - (B) claims relating to looted art;
 - (C) claims relating to looted financial assets; or
 - (D) claims relating to slave labor wages.

Sec. 4. As used in this chapter, "home energy" means electricity, oil, gas, coal, propane, or any other fuel for use as the principal source of heating or cooling in residential dwellings.

Sec. 5. As used in this chapter, "home energy supplier" means a person, including a trustee or receiver appointed by a court, engaged in the furnishing or selling of home energy in Indiana.

Sec. 6. The home energy assistance programs must provide assistance, including emergency assistance, to low income households in Indiana to:

- (1) defray home energy costs; and
- (2) provide assistance to low income households;

for home energy conservation measures.

Sec. 7. The lieutenant governor shall do the following:

- (1) Administer an appropriation made for the purposes specified in section 7 of this chapter.
- (2) Receive and administer money that may be available to the state for energy and conservation assistance from the federal government.
- (3) Establish criteria to determine eligibility for assistance under this chapter.

Sec. 8. The lieutenant governor may determine the amount of assistance that an eligible household may receive.

Sec. 9. (a) The criteria for determining the amount of assistance may include the following:

- (1) The age of an applicant for assistance.
- (2) Whether the applicant is employed.
- (3) Household income during the past one hundred eighty (180) days.

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- (4) Household size.
- (5) Type of fuel used for primary heating or cooling.
- (6) The need for assistance.
- (7) Residency.
- (8) The age and energy efficiency of the applicant's dwelling and heating plant.

(b) Unless prohibited by federal law, the criteria for determining the amount of assistance must include a consideration of an applicant's housing status. The lieutenant governor shall give weight to an applicant's housing status in the following order, from greatest weight to least weight:

- (1) An applicant who resides in nonsubsidized housing.
- (2) An applicant who resides in subsidized housing in which home energy costs are not included in the rent.
- (3) An applicant who resides in subsidized housing in which home energy costs are included in the rent.

(c) The lieutenant governor shall annually:

- (1) review the formula used by the lieutenant governor to determine the amount of assistance awarded under this chapter; and

(2) prepare a report that includes:

(A) the following information for the most recent federal fiscal year:

- (i) The number of applicants for assistance under this chapter.
- (ii) The number of assistance awards made under this chapter.
- (iii) The average amount of assistance awarded under this chapter for all recipients and by category of housing status; and

(B) a statement of:

- (i) the formula that the lieutenant governor is currently using to determine the amount of assistance under this chapter; and
- (ii) the lieutenant governor's intention regarding any change in the formula described in item (i).

(d) The lieutenant governor shall file the report required under subsection (c)(2) in an electronic format under IC 5-14-6 with the legislative council before April 1 each year.

Sec. 10. Except as provided by federal law, if an individual receives a state or federal higher education award that is paid directly to an approved institution of higher learning (as defined in

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IC 20-12-21-3) for that individual's benefit:

- (1) the individual is not required to report the award as income or as a resource of the individual when applying for assistance under this chapter; and
- (2) the award may not be considered as income or a resource of the individual in determining initial or continuing eligibility for assistance under this chapter.

Sec. 11. The lieutenant governor may require a home energy supplier or an agency of state or local government or may contract with another public or private agency to do the following:

- (1) Disseminate information about the program.
- (2) Receive or aid in the preparation of applications for assistance.
- (3) Assist in determining eligibility for assistance.

Sec. 12. An application must be made on standardized forms provided by the lieutenant governor and in accordance with procedures established by the lieutenant governor.

Sec. 13. The lieutenant governor shall establish methods for providing assistance to eligible households. Methods may include the following:

- (1) Direct payments by cash or check to eligible households.
- (2) Direct vendor payments.
- (3) Lines of credit to home energy suppliers.
- (4) The use of coupons and vouchers redeemable by the state.

Sec. 14. The lieutenant governor may require the following:

- (1) A home energy supplier to accept vendor payments, lines of credit, or coupons and vouchers as full or partial payment for the cost of home energy consumed by eligible households.
- (2) An operator of residential housing units to accept vendor payments or coupons and vouchers as full or partial payment of rent by eligible households making undesignated payments for home energy costs in the form of rent payments.

Sec. 15. The lieutenant governor shall establish procedures for the conduct of hearings and appeals upon request from applicants who have been denied assistance.

Sec. 16. A recipient may not transfer or assign assistance under this chapter except as allowed by the lieutenant governor.

Sec. 17. The lieutenant governor may recover from a recipient the amount of assistance that the lieutenant governor determines the recipient was not entitled to receive.

Sec. 18. If a recipient obtained excessive assistance fraudulently, the recipient shall pay a penalty equal to twenty percent (20%) of

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the excessive assistance.

Sec. 19. A claim under this chapter may be recovered from the recipient or the recipient's estate by civil action and is a preferred claim against the estate of a recipient under IC 29-1-14-9(6).

Sec. 20. A:

- (1) home energy supplier;**
- (2) landlord; or**
- (3) building operator;**

that uses the name of an applicant or a recipient or information contained in applications made under this chapter for any purpose other than as specified by the lieutenant governor commits a Class B misdemeanor.

Sec. 21. The lieutenant governor may take actions necessary to implement this chapter, including the establishment of conditions regulating service termination to eligible households that the lieutenant governor determines to be appropriate and necessary to ensure the availability of federal financial assistance."

Page 12, line 34, delete "Indiana housing and community development authority" and insert "**lieutenant governor**".

Page 12, line 35, delete "authority's" and insert "**lieutenant governor's**".

Page 19, line 34, strike "and".

Page 19, line 37, delete "IC 8-9.5-9-7." and insert "IC 8-9.5-9-7;".

Page 19, between lines 37 and 38, begin a new line block indented and insert:

"(30) to promote and foster low income housing, the rehabilitation of communities and the creation of commercial development to promote social welfare through the relief of the poor and distressed or of the underprivileged, and to combat community deterioration;

(31) to provide a range of services and activities having a measurable and potentially major impact on the cause of poverty;

(32) to provide activities designed to assist low income participants, including the elderly poor, to:

- (A) secure and retain meaningful employment;**
- (B) attain an adequate education;**
- (C) make better use of available income;**
- (D) obtain and maintain adequate housing and a suitable living environment;**
- (E) obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs,**

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including the need for health services, energy assistance, nutritious food, housing, and employment related assistance;

(F) remove obstacles and solve problems that block the achievement of self-sufficiency;

(G) achieve greater participation in the affairs of the community; and

(H) make more effective use of other programs related to the purposes of this chapter;

(33) to provide on an emergency basis for the provision of supplies, nutritious foodstuffs, and related services that are necessary to counteract conditions of starvation and malnutrition among the poor;

(34) to coordinate and establish linkages between governmental and other social services programs to ensure the effective delivery of services to low income individuals;

(35) to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community;

(36) to coordinate the provision of available services for migrant farmworkers;

(37) to study housing conditions and needs throughout Indiana to determine in what areas congested and unsanitary housing conditions constitute a menace to the health, safety, welfare, and reasonable comfort of citizens;

(38) to recommend programs for correcting the causes of poverty;

(39) to collect and distribute information relative to housing;

(40) to investigate all matters affecting the cost of construction or production of dwellings;

(41) to study means of lowering rents of dwellings through economy in the construction and arrangement of buildings;

(42) to recommend the areas within which or adjacent to which the construction of housing projects by housing authorities may be undertaken;

(43) to cooperate with local housing officials and plan commissions in the development of projects that the officials or commissions have under consideration;

(44) to make special studies and recommendations for the rehabilitation of areas affected by floods or other disasters;

(45) to administer energy assistance programs and any appropriation made for the purpose of providing energy assistance;

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(46) to receive and administer money that may be available to the state for energy and conservation assistance from the federal government;

(47) to establish criteria to determine eligibility for energy assistance;

(48) to administer the low income home weatherization programs;

(49) to provide community services, crime prevention, and job training (as defined in IC 6-3.1-9-1);

(50) to take actions necessary to implement its powers that the authority determines to be appropriate and necessary to ensure the availability of state or federal financial assistance; and

(51) to administer any program or money designated by the state or available from the federal government or other sources that is consistent with the authority's powers and duties."

Page 21, delete lines 28 through 32.

Page 33, delete lines 9 through 42.

Delete pages 34 through 37.

Page 38, delete lines 1 through 39.

Page 39, line 13, delete "IC 5-20-7" and insert "IC 4-4-34".

Page 39, line 16, delete "IC 5-20-7" and insert "IC 4-4-34".

Page 42, line 24, delete "IC 5-20-7" and insert "IC 4-4-34".

Page 42, line 32, delete "IC 5-20-7" and insert "IC 4-4-34".

Page 48, line 6, delete "Indiana housing and community development" and insert "**lieutenant governor**".

Page 48, line 7, delete "authority".

Page 48, line 7, delete "IC 5-20-7." and insert "IC 4-4-34".

Page 48, line 12, delete "Indiana" and insert "**lieutenant governor under IC 4-4-34.**".

Page 48, delete lines 13 through 14.

Page 48, line 20, delete "Indiana housing and community development authority" and insert "**lieutenant governor**".

Page 48, line 21, delete "IC 5-20-7" and insert "IC 4-4-34".

Page 48, line 24, delete "IC 5-20-7." and insert "IC 4-4-34".

Page 48, line 26, delete "Indiana" and insert "**lieutenant governor**".

Page 48, line 27, delete "housing and community development authority".

Page 48, line 28, delete "IC 5-20-7," and insert "IC 4-4-34,".

Page 48, line 32, delete "authority" and insert "**lieutenant governor**".

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Page 48, line 35, delete "IC 5-20-7." and insert "**IC 4-4-34.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1261 as introduced.)

BUCK, Chair

Committee Vote: yeas 10, nays 1.

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